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Hunt backs case for more rate rises

Chancellor weighs recession risk • Push to bring down inflation • Gilt yields top 4.5%

LUCY FISHER AND VALENTINA ROMEI

Jeremy Hunt has backed further interest rate rises to bring prices under control as figures showed only Argentina and South Sudan experienced bigger increases than the UK in underlying inflation last month.

The chancellor signalled his support for rate rises after a week when core inflation, which excludes energy and food, hit its highest level since March 1992. Asked if he would be comfortable if further rate rises precipitate a recession, he said: "Yes, because in the end, the inflation is a source of instability."

April's rise in annual core inflation — from 6.2 per cent to 6.8 per cent — was the third biggest jump after Argentina and South Sudan in 33 countries tracked by the Financial Times, based on Eikon data. In 24 of the countries, core inflation fell or remained unchanged.

Ruth Gregory, economist at Capital Economics, said Britain's high inflation reflected wage growth and labour shortages. She attributed the shortfall in labour supply partly to Brexit and to long NHS waiting lists, which she associated with long-term sickness.

Gregory added that she expected the fall in core inflation to "take longer in the UK" than elsewhere.

Susannah Streeter, analyst at asset manager Hargreaves Lansdown, said there was a risk of "a vicious circle" of higher wages leading to higher costs.

In contrast with the UK, core inflation in the US fell from 5.6 per cent to 5.5 per cent. Even so, the IMF's head Kristalina Georgieva yesterday said US interest rates would need to remain "higher for longer" to bring inflation under control. She said there was still "high uncertainty" over the US economy.

Hunt told Sky News: "It is not a trade-off between tackling inflation and recession. In the end, the only path to sustainable growth is to bring down inflation."

He added that to encourage growth, the government had to "support the Bank of England in the difficult decisions that they take".

Households are paying more at the shops: only Argentina and South Sudan had bigger increases in underlying inflation last month

UK government borrowing costs have already risen in response to this week's inflation data, in which the headline rate fell from March's 10.1 per cent to 8.7 per cent — still well above the BoE's forecast.

The yield on two-year gilts, which are sensitive to rate expectations, jumped 0.6 percentage points to more than 4.5 per cent, its highest since then prime minister Liz Truss's "mini" Budget sowed chaos in markets. Markets now expect the BoE to raise interest rates to 5.5 per cent by the end of the year.

Helen Barnard page 12

Festival spirit
Cannes ends with a flourish

Dancer Aoi Yamada poses for the *Perfect Days* photo shoot at the 76th Cannes Film Festival on the Côte d'Azur in the south of France, which wraps up today.

German director Wim Wenders' Japanese-language arthouse movie, which is a contender for the festival's top prize, is the story of an itinerant Tokyo public lavatory cleaner that is an ode to life's little pleasures.

Celebrities including Queen Latifah and Heidi Klum escaped the crowded festival on Thursday night for an Aids research fundraising event at a secluded Antibes hotel, where a table for 12 cost $500,000.

Cannes film festival Life & Arts

UK-listed groups top flight risk league as NY beckons

London-listed companies have a stronger business case for relocating to New York than groups elsewhere in Europe. An FT-compiled ranking found that while only a fifth of the survey's 111 groups were from London, they made up half of the top 10. London's exchange is more vulnerable to losing companies than Amsterdam, Paris and Frankfurt as better economic growth forecasts and a larger investor pool bolster the case for a move to the US.

Bright lights ► PAGE 16

Welsh arts champion poised to be BBC acting chair after Sharp's troubled exit

GEORGE PARKER AND DANIEL THOMAS

Ministers will seek to avoid controversy next week by appointing a leading figure in the Welsh arts as acting chair of the BBC, following the departure of Richard Sharp.

Dame Elan Closs Stephens is expected to be given the nod as interim BBC chair by culture secretary Lucy Frazer, according to people briefed on the matter, and is likely to serve in the role for many months, during a crucial time for the public service broadcaster.

Frazer is said by colleagues to be determined to hold a thorough search for a permanent replacement for Sharp, who quit as BBC chair last month after becoming embroiled in a row over a loan to former prime minister Boris Johnson.

Sharp, a Conservative party donor and former Goldman Sachs mentor of Rishi Sunak, became a contentious figure at the helm of the BBC but Closs Stephens is unlikely to be controversial.

Closs Stephens, a non-executive director on the BBC board who acts as member for Wales, is a career academic and champion of the Welsh arts. She helped forge Aberystwyth University's focus on communications and the creative industries and has chaired the Welsh-language broadcaster S4C.

People close to the appointment process said Closs Stephens was a "safe pair of hands" — with one describing her as "hugely experienced, hugely respected, but also not seen as wanting to take on the role full time". A BBC insider said: "Elan is well liked, highly respected and understands the BBC."

Closs Stephens's expected appointment comes with the backing of the corporation's board, according to people close to the decision-making process.

The board can recommend a preferred candidate to ministers to consider but the final decision lies with the culture secretary, given the BBC chair is a government appointment. The Department for Digital, Culture, Media and Sport confirmed it was in the process of appointing an acting BBC chair.

Frazer is expected to back the nomination of Closs Stephens next week, said one senior government insider.

Damon Buffini, deputy BBC chair, is seen as a leading candidate to replace Sharp in the long run, though the process to appoint a permanent successor has not yet formally begun.

Closs Stephens's appointment comes as the corporation plots its next steps to compete in a market increasingly dominated by large US technology groups.

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World Markets

STOCK MARKETS

	May 26	Prev	%chg
S&P 500	4195.68	4151.28	1.07
Nasdaq Composite	12934.06	12698.09	1.86
Dow Jones Ind	33041.22	32764.65	0.84
FTSEurofirst 300	1829.24	1807.34	1.21
Euro Stoxx 50	4338.86	4269.64	1.62
FTSE 100	7627.20	7570.87	0.74
FTSE All-Share	4152.54	4128.33	0.59
CAC 40	7319.18	7229.27	1.24
Xetra Dax	15983.97	15793.80	1.20
Nikkei	30916.31	30801.13	0.37
Hang Seng	18746.92	19115.93	-1.93
MSCI World $	2798.86	2788.82	0.29
MSCI EM $	964.01	970.90	-0.71
MSCI ACWI $	646.00	644.84	0.18
FT Wilshire 2500	5356.52	5320.34	0.68
FT Wilshire 5000	41755.62	41485.83	0.65

CURRENCIES

Pair	May 26	Prev	Pair	May 26	Prev
$/€	1.071	1.073	€/$	0.934	0.932
$/£	1.233	1.234	£/$	0.811	0.811
£/€	0.868	0.870	€/£	1.152	1.150
¥/$	140.405	139.795	¥/€	150.407	149.679
¥/£	173.265	172.431	£ index	80.880	79.924
SFr/€	0.971	0.971	SFr/£	1.119	1.118

CRYPTO

	May 26	Prev	%chg
Bitcoin ($)	26823.30	26478.95	1.30
Ethereum	1832.25	1805.65	1.48

COMMODITIES

	May 26	Prev	%chg
Oil WTI $	72.54	71.83	0.99
Oil Brent $	76.76	76.29	0.88
Gold $	1948.25	1969.65	-1.09

GOVERNMENT BONDS

Yield (%)	May 26	Prev	Chg
US 2 yr	4.62	4.46	0.15
US 10 yr	3.83	3.78	0.05
US 30 yr	3.98	3.90	0.08
UK 2 yr	4.47	4.53	-0.06
UK 10 yr	4.46	4.51	-0.05
UK 30 yr	4.60	4.60	-0.01
JPN 2 yr	-0.07	-0.07	0.00
JPN 10 yr	0.42	0.43	-0.01
JPN 30 yr	1.25	1.28	-0.03
GER 2 yr	2.91	2.90	0.02
GER 10 yr	2.54	2.52	0.02
GER 30 yr	2.67	2.66	0.01

Prices are latest for edition
Data provided by Morningstar

Labour shortage

Fishing vessels allowed more foreign crew

Industry given leeway as trawler operators struggle to attract local workers

MADELEINE SPEED

Ministers have quietly agreed to allow more overseas workers to join the UK fishing industry, as the sector struggles with labour shortages and post-Brexit export regulations.

Share fishermen, trawler skippers and deckhands on large vessels are to be added to the shortage occupation list, a scheme that allows UK employers to pay overseas workers about 80 per cent of the usual wage in certain industries.

Ministers in March agreed more overseas workers could join the construction industry. Other sectors including retail and hospitality are lobbying to be added to the Home Office shortage list.

Ministers have accepted the need to continue to allow skilled overseas workers into the UK in spite of a Tory backlash over high net migration. The total hit a record 606,000 in 2022, equivalent to the population of Sheffield.

The opening of the UK's doors to more overseas fishing crew is a tacit recognition that Brexit has not generated the boom in the sector promised by Boris Johnson and other Leave campaigners at the time of the 2016 referendum.

Johnson was accused of "selling out" the industry in a negotiation with the EU on fishing rights that formed part of a trade agreement in 2020, despite his insistence that as a result of the deal Britain would be able to "catch and eat prodigious quantities of extra fish".

"Promises were made that did not materialise," said Mike Cohen, chief executive of the National Federation of Fishermen's Organisations, which represents workers in England, Wales and Northern Ireland. "We still don't act like an independent state as other coastal states do. France holds the vast majority of the cod quota in the Channel."

Tight profit margins have forced skippers of fishing vessels to hold down wages and few British workers want to work in cramped and tough conditions.

"The fishing industry isn't perceived to be the best place to work," said Aoife Martin, director of operations at Seafish, a public body that supports the seafood industry. "There is an increasing reliance on foreign labour."

About 30 per cent of the UK's fishing crew are from overseas, according to Seafish. They are typically recruited from the Philippines or Ghana, nations with a strong seafaring tradition.

"We would like to be recruiting local people but it's difficult to find sufficient labour," said Cohen.

While the sector has welcomed the addition of fishing crew to the shortage occupation list, obstacles remain to resolving labour shortages.

Alistair Carmichael, Liberal Democrat MP for Orkney and Shetland, said immigration minister Robert Jenrick's refusal to lower the standard of English required rendered the move "absolutely meaningless for the fishing industry".

Jenrick said on Tuesday that looser rules for hiring workers in the fisheries sector from abroad was part of "a comprehensive package of support" to ensure the industry could "fully benefit from the fish in UK waters".

In 2021, the government announced a £100mn UK seafood fund to support the industry after access to its key EU markets was thrown into chaos by new checks and paperwork. Moving seafood from the UK to the EU used to take one to two days, but now took two to three, said Martin. "That is a very big issue when you're trying to export highly valuable live shellfish, for example."

Travel disruption

BA axes 160 flights ahead of holiday weekend

ROBERT WRIGHT

British Airways passengers are facing a weekend of severe travel disruption after a "technical issue" forced the UK flag carrier to cancel around 160 flights yesterday and Thursday, while many more were badly delayed.

The problems, mainly with short-haul flights to and from the airline's London Heathrow hub, came as passengers prepared to get away for the coming half-term holiday week for many schools.

Cancellations yesterday evening suggested some disruption would continue into today as aircraft and flight crews were wrongly positioned overnight.

A person familiar with the airline's operations said 30 flights from Heathrow were cancelled yesterday, leading to the scrapping of 60 round trips. Another 20 arrivals at Heathrow were cancelled because outbound flights on Thursday had not been operated.

The disruptions came after around 80 flights were also scrapped on Thursday. Some flights were delayed because the computer problems prevented passengers from checking in online at home and instead had to queue at the airport.

BA's website asked passengers to check their flight status before heading to the airport. "We're aware of a technical issue, which we have been working hard to fix," the website said.

The cancellations are the latest of several episodes when IT failures have forced British Airways to make multiple cancellations.

The airline also suffered mass flight cancellations in February and March last year because of computer problems. In common with many European airlines, it suffered severe operational problems last summer as it struggled to handle a spike in travel following the coronavirus pandemic.

This week's disruption comes on top of the latest strike action by some Heathrow security staff belonging to the Unite trade union. Yesterday was the second of three consecutive days of action by the staff. Heathrow has insisted the action, which it attacked as unnecessary, had no effect on the airport's operations, which it described as smooth.

British Airways said it had apologised to passengers whose flights had been affected and offered them the option to rebook an alternative flight with BA or another carrier, or seek a refund. The airline normally operates about 850 flights daily.

The carrier, part of International Airlines Group, indicated it had focused cancellations on routes with multiple daily flights to ensure passengers had alternatives. It insisted yesterday's problems were the residual results of a problem it encountered on Thursday.

BA said: "While the vast majority of our flights continue to operate today, we have cancelled some of our short-haul flights from Heathrow due to the knock-on effect of a technical issue that we experienced yesterday."

Like many other European airline groups, IAG has been anticipating summer travel levels at or above those seen in 2019 before the pandemic slashed air travel demand. The group raised its full-year profit forecast on May 5 in response to the resurgence in demand for travel as well as a drop in fuel costs.

John Gapper page 11

Population. Social change

Migration just another 'broken promise' in Essex

Attitudes to immigrants have softened but anger is growing at politicians' failure to deliver

WILLIAM WALLIS — GRAYS, ESSEX

Seventy-five years after the Empire Windrush offloaded the first wave of Caribbean migrants at Tilbury docks on the Thames, many older white residents of nearby Essex towns remain conflicted about immigration.

But the caricature of the Brexit-voting xenophobe yearning for Britain to shut its borders and lapping up rhetoric from rightwing Conservatives demonising refugees is largely misplaced.

Since the 2016 referendum, when more than half the population surveyed thought immigration was one of the most important issues facing the country, attitudes have softened markedly across the UK.

Only 15 per cent of people polled by Ipsos this year felt the same. That trend is reflected in the district of Thurrock, in which Tilbury sits and where 72.3 per cent of voters supported Brexit.

Reaction in the area to Thursday's news that net migration to the UK reached an all-time high of 606,000 last year, despite repeated Conservative pledges to bring it down, was nuanced.

"I am not against migration. Ever since the Romans it is what has made Britain great. It's the amount of it — it's only a little country," said Bernie Parsons, a former merchant seaman who voted for both Brexit in 2016 and the Conservatives in 2019.

People locally have grown angry with the party for failing to deliver on its promises — including on migration — and disillusioned with Brexit because it has not made the UK more prosperous.

"I have friends who voted for it and now think it was a big con," said Alan Harmer, a social worker and Labour supporter in the town of Grays.

Residents also expressed alarm at the rate at which services were declining and the cost of living rising. That anxiety is compounded by the sense among older people, who grew up in the area when it was almost uniformly white, that if the population keeps expanding because of immigration things will get worse still.

"People are getting pissed off with it. There's not enough doctors, schools. Who's going to build the homes?" asked Parsons, from a balcony overlooking Tilbury docks.

Bernie Parsons, above, said the amount of migration concerned him while Linda Dove, below, complained of being let down
Anna Gordon/FT

But on legal migration, his thinking was in line with what the post-Brexit rules were set up to do: replace free movement of people from Europe with a system that favours skilled migrants wherever they come from. "We need professional people. Nurses, doctors, engineers," Parsons said.

Back in 2016, the promise made by Boris Johnson and other rightwing politicians that Brexit would enable Britain to "take back control of our borders" was undoubtedly a factor in Thurrock being one of the top five leave-voting districts in the country. Peter, a 55-year-old warehouse worker who declined to give his name, was among those who supported Brexit and Johnson partly as a result of that pledge. "I will never vote Conservative again," he said.

But migration was just one of several issues fuelling his anger. "The NHS is overrun. The Tories have bankrupted the council. Thurrock — there's too many people. The immigrants keep coming. On top of that they take people from London and chuck them here," he said, referring to the provision of social housing as overspill from the capital.

He did not think the Labour party would do much better and was unsure who to vote for at the next election.

The migration figures have triggered infighting in the Tory party, and led to Rishi Sunak, the prime minister, making more promises to cut the numbers.

Jackie Doyle-Price, the Conservative MP for Thurrock, refused to join the frenzy. "The stories about immigration and Brexit are all about broken promises. People are disillusioned because it looks like the government hasn't got a grip," she said.

Some residents think migration is partly responsible for the housing crisis, she added, but they also understand the need for migrant labour.

"The answer is to build more houses. Politicians should stop playing to the gallery and get on with it," she said. "All these things are a failure to tackle the big policy challenges of the day."

On the government's priority to stop irregular migration across the Channel, she said that "the Home Office can sort itself out without demonising people who are genuinely fleeing persecution".

Labour representatives in the area declined to comment — a sign of nerves perhaps in a bellwether constituency they held in the past, but where they did not make expected inroads in recent local polls. But some younger voters were more supportive of the opposition and sanguine about migration levels.

> 'The answer is to build more houses. Politicians should stop playing to the gallery and get on with it'

Raqeeb Udin, a 35-year-old cyber security development manager representative of the district's changing demographics, said the country needed more people of working age. The debate on migration, he said, was "a distraction from the bigger issues".

"It's easy to get people riled up about others taking their jobs. In general fear and anger are primary emotions that speak louder than reason and facts," he said, blaming 13 years of Conservative rule for most of Thurrock's problems.

Linda Dove, a retired undertaker, was less hopeful about the alternatives, sharing with many of her generation a sense of being let down.

"They promised us that if we came out of the EU our prospects would be better. It hasn't materialised. They promised tighter borders. That's gone by the wayside too," she said.

"They promised us everything when we went into the EU and they promised us everything when we came out. Neither worked."

FT

Political Fix
In her debut show, Whitehall Editor Lucy Fisher discusses immigration and Boris Johnson with Stephen Bush and Robert Shrimsley

ft.com/political-fix

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April figures

Retail rebounds as sales rise at higher rate than expected

VALENTINA ROMEI

British retail sales grew more than expected in April, rebounding after bad weather hit spending in March and helped by higher government benefits.

The quantity of goods bought in Britain rose 0.5 per cent between March and April, in part reversing the sharp contraction in the previous month, according to data published yesterday by the Office for National Statistics.

This was higher than the 0.3 per cent growth forecast by economists polled by Reuters, but the March rate was revised to a 1.2 per cent fall from a 0.9 per cent contraction.

Sales volumes rose 0.8 per cent in the three months to April when compared with the previous three months, the highest rate since August 2021.

Grant Fitzner, ONS chief economist, said: "Retail sales grew, partially rebounding from a poor weather-affected March, with jewellers, sports retailers and department stores all having a good month." He added that, despite continued high food prices, supermarkets also recovered.

Department stores' sales volumes rose 1.7 per cent in April following a fall of 3 per cent in the previous month. Food stores' sales volumes edged up 0.7 per cent after dropping in March, but remained 2.7 per cent below their pre-coronavirus February 2020 levels.

Meanwhile, automotive fuel stores' sales volumes fell 2.2 per cent in April, following a small rise in the previous month, which the ONS partially attributed to industrial action affecting public transport in March.

Ashley Webb, UK economist at Capital Economics, said while some of the expansion in sales could have been because of a rebound from the weather in April, the boost to household incomes from the larger-than-usual rises in the state pension, welfare payments and minimum wage in early April probably "played a part too".

In April, government benefits payments for millions of households increased in line with the 10.1 per cent inflation rate of September 2022, supporting household finances.

Martin Beck, chief economic adviser to the EY Item Club, said that April's retail performance "tallies with an improving outlook for consumer spending", with the jobs market proving resilient and consumer sentiment starting to recover.

In the bag: a shopper in Regent Street, London, on Thursday. The ONS says jewellers, sports retailers and department stores all had a good month in April
Jason Alden/Bloomberg

Retail sales volumes were down 3 per cent compared with April last year, even if shoppers spent 4.7 per cent more, laying bare the impact of sticky high inflation on households' finances.

UK inflation fell less than expected to 8.7 per cent in April, with food inflation remaining close to its 45-year high at 19.1 per cent. That has raised market expectations for further interest rate rises from the Bank of England, which means higher mortgage payments for millions of households.

Aled Patchett, head of retail and consumer goods at Lloyds Bank, said that despite challenges persisting, "retailers will hope three bank holidays, warmer weather and recovering confidence could be the tailwind they need to boost sales in May".

With falling energy costs and easing inflation, the recovery should extend throughout the quarter, according to Gabriella Dickens, economist at Pantheon Macroeconomics. "Retail sales should continue to pick up in Q3, as real disposable incomes begin to recover."

NATIONAL

Coventry and Luton have eyes on financial prize in promotion battle

Clubs that fell on hard times compete for rich rewards of the English Premier League

SAMUEL AGINI

Coventry City and Luton Town will make an unlikely duo when they compete for one of the biggest prizes in world sport this afternoon. The two football clubs have put themselves in with a chance of clinching the last promotion spot to the English Premier League on constrained budgets.

The winner of the sold-out play-off final in front of 90,000 fans at Wembley Stadium will join Burnley and Sheffield United in promotion from the Championship, the second tier of the English game, to become part of 20 teams playing in the richest league in football.

It has been a remarkable journey on the cheap with both sides defying the odds against richer rivals. As recently as 2018, the two clubs were playing each other in League Two, the bottom rung of the English professional game. As recently as 2014, Luton were playing non-league football.

The financial rewards that await the winner are tantalising. A single season in the Premier League would result in a revenue uplift of at least £170mn over three seasons, roughly 10 times what Luton generated last year.

"It's the greatest day of our lives," Luton's chief executive Gary Sweet told the Financial Times. "Potentially," he added quickly, acknowledging there was no prize for losing.

Should Luton win, it would be the first time the club from the Bedfordshire town of 225,000 just north of London has played in the Premier League.

It was relegated from the old Division One in the last season before the top tier of English football was replaced by the Premier League in 1992. After that, the club struggled in the lower divisions, surviving administration in 2007 that precipitated a slide into non-league football two years later.

Coventry has been in the Premier League before, losing its status in 2001 after 34 consecutive years in top flight football, and like Luton has made it to Wembley on a limited budget.

Although there is no hard financial data for this season, Kieran Maguire, a football finance academic at the University of Liverpool, said he did not expect either club to report a significant uplift in spending for this season.

"Both clubs have had relatively modest spending as far as the transfer market is concerned," Maguire said.

The latest available financial data from the 2021/22 season shows Coventry's revenues from match receipts, broadcasting and commercial totalled £18mn, just ahead of Luton's £17.7mn, while the wage bills came in at £16mn and £18mn, respectively.

In contrast, Fulham, which won the Championship in the 2021/22 season, had revenues of £71mn and a wage bill of £90mn.

Moreover, neither club has spent big on bringing in new players this season, with recruitment based largely on free transfers or loans, according to Transfermarkt.

Unlike Burnley and Sheffield United, which won automatic promotion after only recently losing top flight status, Luton and Coventry have not benefited from so-called parachute payments. The payouts, worth an estimated £40mn in the first year following relegation from the Premier League, according to Deloitte, are designed to cushion the blow.

Increasingly, the Championship has attracted big-spending owners who risk their fortunes for a place in the Premier League.

It is not uncommon for clubs to spend 125 per cent of revenue on player salaries and owners collectively spend the best part of £400mn a year covering the losses in the hunt for promotion.

Rick Parry, chair of the English Football League, which runs the Championship, has described the behaviour by many owners as like buying "the most expensive lottery ticket on the planet".

When Derby County lost the play-off final in 2019, for instance, it kicked off a chain of events that included administration and then owner Mel Morris losing control of the club.

"The one thing I love about the final on Saturday is that against all odds you've got two relatively low-spending football clubs that are trying to do it the right way," Sweet said.

Coventry City owner Doug King, who only bought the club in January, said he wanted to forget about the potential windfall from winning promotion and focus on the match.

"I don't really think about the money. And I don't think anybody should. It's a game of football. And we've got to be totally focused and try to grab the opportunity and not be intimidated by it," he said.

The victor will have little time to celebrate. Getting to the Premier League is only one step towards the tougher battle of staying there.

The money on offer for any promoted club to survive its first season in the top league is even more alluring. Deloitte estimates staying in the Premier League beyond a single season takes the revenue uplift over three seasons to £290mn.

"I'll take it any day of the week ... breaking out of this league is a massive moment," King said. "It's a bit pointless to get up to the Premier League and then get yourself in trouble."

Unusually, all three of last season's promoted sides have managed to avoid relegation this season. But it came at a price. Nottingham Forest, for example, spent more than £180mn on new players, according to Transfermarkt.

In contrast, the most successful team to win promotion in the past decade is battling for survival: Leicester City won promotion from the Championship in 2014 and against all odds went on to clinch the Premier League title two years later. Tomorrow, the club will be relegated unless it wins and the result of Everton's match goes in its favour.

Today, Sweet will be urging the Luton players on to clinch a historic first for the club. But whatever the result he hopes the winner can go on to demonstrate that success is not all about big budgets.

"It will be a huge day and I think what we'd like to do is to evidence the fact that really football clubs who do things the right way without just merely spending money can achieve it. They can get to the top and they can stay there."

'It's a bit pointless to get up to the Premier League and then get yourself in trouble'

Net gain: Luton Town's Carlton Morris celebrates scoring in the Championship. Below, Coventry City's owner Doug King
Richard Sellers/Barrington Coombs/PA

This season is a rare instance of all three promoted teams avoiding immediate relegation from the Premier League

Promoted teams and their position in the subsequent Premier League season:

Safe Relegated

Season	Winners		Runner-up		Play-off winners	
2011/12	Reading	19	Southampton	14	West Ham United	10
2012/13	Cardiff City	20	Hull City	16	Crystal Palace	11
2013/14	Leicester City	14	Burnley	19	QPR	20
2014/15	Bournemouth	16	Watford	13	Norwich City	19
2015/16	Burnley	16	Middlesbrough	19	Hull City	18
2016/17	Newcastle	10	Brighton	15	Huddersfield	16
2017/18	Wolves	7	Cardiff City	18	Fulham	19
2018/19	Norwich City	20	Sheffield United	9	Aston Villa	17
2019/20	Leeds United	9	WBA	19	Fulham	18
2020/21	Norwich City	20	Watford	19	Brentford	13
2021/22	Fulham	10	Bournemouth	13-16	Nottingham Forest	14-16
2022/23	Burnley	?	Sheffield United	?	Luton or Coventry	?

Sources: FT research; Deloitte

Settlement Scheme

Tensions rise with Brussels over bills for EU citizens

ANDY BOUNDS — BRUSSELS

The UK has started billing thousands of EU citizens resident in Britain for healthcare and financial support received after they were denied leave to remain in the country, raising fresh tensions with Brussels.

The EU on Thursday expressed "deep concerns" about the UK's decision to demand as many as 141,000 European nationals pay for NHS treatment and refund welfare benefits granted after they were refused settled status because the UK government had failed to update its online records.

The EU addressed the issue in a meeting with UK officials in Brussels. A joint statement from both sides said: "The EU raised their deep concerns about the EU citizens who received a refusal decision between June 27 2021 and April 19 2022 but whose digital status did not accurately reflect this until January 2023, due to the operation of the EU Settlement Scheme (EUSS).

"Brussels asked for full transparency and clarity on this matter and expressed its disappointment regarding the UK's plans on recovery of costs of some services and benefits."

According to the statement, the UK outlined the "applicable framework" and protections in place for individuals, and highlighted the need for consistency with the approach taken with UK nationals in EU statements.

The UK said that affected EU nationals were told they had no right to remain but because their online application status said their claims were pending, local authorities and government agencies continued to pay out benefits.

At the meeting, the UK raised issues affecting British citizens in EU countries, relating to property rights and access to entitlements under the withdrawal agreement.

Brussels is under pressure to act from EU member states seeking to defend the rights of their nationals in the UK.

One European diplomat said: "We encourage the highest possible flexibility in tackling the problem, in particular while protecting those who are vulnerable."

"Belgium wants the [post-Brexit] withdrawal agreement to be implemented and respected in its entirety and has every confidence in the commission to ensure this," its permanent representation in Brussels said.

The UK government said it "has an obligation to protect taxpayers' money, which is why we are taking standard steps to ensure overpayments are recovered.

"We are committed to protecting the rights of UK nationals in the EU and EU citizens in the UK, with protections in place to support those affected to manage any repayments."

Meanwhile, the House of Lords' European affairs committee on Thursday warned that the backlog of EU settlement scheme claims could lead to a "Windrush" style scandal, when UK Commonwealth citizens who arrived before 1973 were wrongly denied legal rights or deported by the Home Office.

In a letter, the committee called on home secretary Suella Braverman to provide an update on the number of EUSS applications currently pending a decision.

The home office said: "EU citizens are our friends and neighbours, and we take our obligations to securing their rights in the UK very seriously."

Additional reporting by Jasmine Cameron-Chileshe

Civil service

Unions see hope for breakthrough on pay

LUCY FISHER

Two civil service trade unions have heralded a potential breakthrough in pay disputes with the government, with one calling off a planned walkout and the second halting a ballot for strike action.

Prospect, which represents tens of thousands of civil servants including members in technical, managerial and scientific roles, has halted a strike pencilled in for next month.

FDA, which represents senior civil servants, has suspended a ballot of its members due to start on Tuesday.

Both unions reported the government had extended new invitations for talks in separate announcements yesterday.

A third union representing civil servants, the Public and Commercial Services union (PCS), told the Financial Times it was also "hoping to have meaningful talks next week" with the government. PCS staged its third national walkout in April over pay, pensions and jobs. It has recently renewed its six-month mandate for further action but does not have any nationwide strikes planned.

Yesterday, however, the union announced new strike dates for driver and vehicle licensing agency workers in Swansea, involving 15 consecutive days of industrial action starting on June 11.

'We will maintain our action short of a strike and review that position in light of the promised talks'

Unions had expressed anger when previous talks resulted in an average pay offer of about 4.5 per cent, substantially lower than for other public sector workers.

The UK has faced six months of widespread strikes as workers objected to real-term pay cuts during a period of high inflation.

Commenting on Prospect's decision to suspend its walkout on June 7, Mike Clancy, its general secretary, said it had called off the strike in order to enter the talks "in good faith" but warned: "We will maintain our action short of a strike and review that position in light of the talks that are promised."

The FDA reversed a decision to ballot for national industrial action over pay, which would have been the union's first such ballot in 40 years. Dave Penman, general secretary, said the invitation to talks "may indicate the government intends to change its approach to pay for this year", but added: "If it does not, then the union stands ready to proceed with the ballot for industrial action."

The Cabinet Office said: "We have met with the respective unions to understand what role Cabinet Office may play in resolving their concerns and avoiding industrial action wherever possible."

Safety regulations

Chemicals sector seeks post-Brexit rules 'reset'

PETER FOSTER

The UK chemicals sector has warned that attempts to create an affordable post-Brexit regulatory regime for the industry are floundering and risk causing "irreparable damage" to British businesses.

Its frustrations emerged after more than 18 months of negotiations between industry representatives and the government over building a regulatory system for a vital manufacturing sector. More than 95 per cent of manufactured goods contain chemicals.

After Brexit, the UK quit the EU's "Reach" chemical management system but has repeatedly delayed introducing its own arrangements after a government impact assessment discovered it would cost industry £2bn to duplicate the safety data already held in Brussels.

However, attempts to broker a deal with industry to reduce the cost of re-registering 22,400 chemicals with a copycat UK "Reach" system run by the government's Health and Safety Executive are failing to bear fruit, according to senior industry figures.

Tom Bowtell, the chief executive of the British Coatings Federation, called for a "reset" in the negotiations, adding that talks on creating a lighter-touch model were "not addressing many of the concerns that led to that pause in the first place".

The industry argues it is needlessly expensive to duplicate registrations where chemicals have already passed safety tests in the EU but, for legal and intellectual property reasons, the underlying data for those registrations is not available to the UK regulator.

Conservation and environmental groups have said that unless the UK regulator is in full possession of the data, it cannot regulate effectively.

Bowtell said a "suboptimal" application of UK Reach could cost British industry billions of pounds, and he accused the government of lacking the "application and creativity" to find a solution. "If genuine progress is not realised quickly, there is the risk of irreparable damage not just to the UK chemicals sector but to downstream users and formulators of chemicals," he said at the federation's annual conference.

This year the government announced a three-year extension to deadlines for completing full UK Reach registrations, with these now required in October 2026, October 2028 and October 2030 depending on the tonnage and toxicity of chemicals concerned.

Steve Elliott, head of the Chemical Industry Association, the sector umbrella organisation, echoed Bowtell's concerns, saying that while the deadline extensions were helpful, they reflected "very limited progress" in negotiations.

The Department for Environment, Food and Rural Affairs said it was committed to a regulatory regime that delivered high levels of protection.

WORLD WEEK IN REVIEW

DeSantis campaign launch on Twitter suffers technical glitches

Florida governor Ron DeSantis launched his bid for the Republican presidential nomination in a Twitter conversation with its owner, Elon Musk, beset by technical problems.

DeSantis unveiled his campaign on Twitter Spaces, the social media platform's format for audio conversations. The event began nearly half an hour late, with Musk repeatedly failing to begin the conversation. There were long stretches of silence and a question-and-answer session was riddled with disruptions in the audio feed.

The Republican party is gearing up for a gruelling campaign between DeSantis, former president Donald Trump and an increasingly crowded field of hopefuls.

Republicans and White House hold rushed talks over debt ceiling deal

The White House and House Republicans hurried to finalise a deal on government spending that would avert an unprecedented default on US debt. Negotiators for president Joe Biden and Republican House Speaker Kevin McCarthy were yesterday meeting virtually and speaking by phone.

People close to both sides have said they have been moving closer to a deal that would increase the US's borrowing limit for two years, while setting caps to curb spending growth over the same time period.

US Treasury secretary Janet Yellen warned a potential default could happen as early as June 1. It could take several days to get approval by the Republican-controlled House of Representatives and the Democrat-controlled Senate.

Swiss researchers use AI methods to help paraplegic patient to walk

Paraplegic patient Gert-Jan Oskam walks just by thinking about moving his legs, thanks to a 'digital bridge' that uses artificial intelligence to decode brain signals, technology developed by scientists in Lausanne, Switzerland, and Swiss hospitals.

Athletes criticise Paris Olympics organisers over high ticket prices

Organisers of the Paris 2024 Olympic Games are under pressure over high ticket prices. Two rounds of sales saw close to 1mn tickets at €24 snapped up, while seat prices at top events ran into hundreds of euros, drawing criticism from some French athletes.

Ministers and organisers, who had promoted the event as "the people's Games", said prices for premium seats were similar to those at the 2012 London Olympics, and argued they needed to finance the near €9bn cost and subsidise cheaper places.

Amandine Buchard, 2021 silver medal judoist, tweeted: "Olympic Games for all, you said. Actually, we're going to have to take loans out so that our families and loved ones can come to watch us."

Correction

In Life&Arts, the names of the setters of our crosswords are missing. Rosa Klebb compiled the jumbo crossword, Sleuth set the Polymath.

Economic woes

Turkish lira at record low ahead of vote

Markets unnerved as polls suggest Erdoğan will win presidential election

ADAM SAMSON — ANKARA

Turkey's lira has fallen to 20 to the US dollar for the first time, underscoring the mounting pressure on the country's economy and financial system as polls predict President Recep Tayyip Erdoğan will clinch victory in this weekend's election.

The currency traded as low as TL20.33 yesterday, according to FactSet data, marking the latest in a string of record lows and leaving it down 20 per cent over the past year.

Turkey's financial markets were unnerved by Erdoğan's unexpectedly strong performance in the May 14 election. Investors are increasingly concerned that Erdoğan, who has led Turkey for two decades, will continue to pursue unconventional policies that economists blamed for triggering runaway inflation and the slide in the lira.

Two opinion polls suggested the 69-year-old president was the clear favourite to beat rival Kemal Kılıçdaroğlu, who is leading a six-party opposition alliance, in tomorrow's second-round vote.

"We think that the most likely path forward under Erdoğan would be a continuation of unorthodox policy, characterised by low interest rates, restrictive foreign currency regulations and high inflation," said James Reilly, an economist at Capital Economics in London.

Turkey has attempted to manage the lira through direct interventions in the currency market and measures that have made it more difficult for individuals and businesses to purchase foreign currency or which have provided incentives for them to hold lira.

In a sign of the growing strains, the value of deposits in savings accounts that protect depositors against a depreciation in the lira has soared to the equivalent of $121bn, from $76bn at the start of the year, according to data from the banking regulator. Local banks, meanwhile, are quoting the lira at closer to 22 against the dollar.

Turkish assets trading on foreign markets are also under acute pressure. The yield on a dollar-denominated government bond maturing in 2030 has risen to 10.4 per cent, from 8.1 per cent before the May 14 first-round polls. Bond yields rise when prices fall.

The cost to protect against a Turkish debt default using five-year credit default swaps has leapt to 676 basis points, from 490bp over the same period, FactSet data shows.

> 'Nobody should worry, our economy, banking system, financial system are very sound'
>
> Recep Tayyip Erdoğan

Analysts say the lira will probably weaken significantly after the election if Erdoğan does not shift to a more orthodox set of policies.

"We expect the lira to remain under downward pressure given the extreme external imbalances and measures to ration US dollars," analysts at Oxford Economics wrote in a note.

Erdoğan said in an interview on Thursday that Gulf states had recently provided additional financial support, but he did not indicate which countries had provided the backing nor the scale of the funds provided.

"Nobody should worry, our economy, banking system, financial system are very sound," he said on CNN Türk.

Additional reporting by Mary McDougall in London

Environment. Climate change

Private pools fuel French water crisis

Droughts pit locals against visitors in parched southern hill towns that rely on tourism

LEILA ABBOUD — CALLIAN, FRANCE

Picturesque: Fayence in the Var region of southern France. The area is particularly vulnerable to drought due to its hilltop geography

The flower-filled medieval hilltop town of Callian, former home of the late fashion designer Christian Dior, has proved so attractive to wealthy incomers that alongside its 4,000-strong population, it boasts 1,000 private swimming pools.

The mayor of the southern French town, François Cavallier, says the influx of second homeowners and tourists must stop — or risk draining the town dry as the region endures a two-year drought.

"We must dissuade people from coming here," he said. "This won't last for ever but for now, it would be irresponsible to attract people here and then run out of water."

Dry weather across a swath of southern France has particularly affected Callian and the other hill towns around Fayence. The drought has forced the mayors of nine towns to take drastic measures such as rationing water and even banning construction of new homes and pools for five years.

These measures have cast a shadow over the area's key tourism industry, which sustains the economy yet weighs on scarce water resources at the hottest time of year. That tension is only likely to worsen as the climate warms.

In the hill towns, with water levels in the river already at lows not usually seen until July, individuals have been limited to 150 litres of water a day to try to avoid cut-offs when the population doubles to around 60,000 in summer.

While the nine villages of Fayence are particularly vulnerable thanks to their hilltop geography, the dry winter after the drought of last summer has left cities along the Mediterranean from Perpignan to Nice facing a water crisis.

Farmers and vineyards are competing for water with the campgrounds, hotels and golf courses. French people who live here full-time mutter about luxurious vacation residences that consume far more water than ordinary homes to maintain their grounds and pools.

The mayor of Châteauneuf-Grasse near Cannes told Libération newspaper the biggest consumers of water last summer were "VIPs including prime ministers and royalty" — in an apparent reference to Silvio Berlusconi and the former king of Belgium, who have homes there.

Local media and officials call it France's own "war over water". Richard Evence, the prefect — or state representative — in the Var region, puts it more diplomatically: "There are conflicts over usage."

There are real questions over whether this area of southern France, which has experienced decades of strong population growth, can continue on the same development path as climate change pushes temperatures higher.

People come to achieve the dream of owning a house with a pool and a garden to enjoy the more than 300 days of sun a year, and the economy is largely based on tourism and construction.

Evence said the Var department would soon start a broad study to analyse its water needs and resources in an effort to plan future infrastructure and water use. "There is a real debate over whether we can keep going on as we have done," he said.

In Perpignan, water scarcity was so acute in March that the church revived a centuries-old tradition of holding a ceremonial procession to pray for rain.

Private swimming pools are a flashpoint: France boasts 3.4mn, second only to the US. Towns where drought has hit hard have began to impose limits on filling them, while others have banned the sale of above-ground pools.

The region's water infrastructure was conceived largely in the 1950s and 1960s, but is now being tested by the drought and rising temperatures. In addition to natural rivers fed by the Alps, the system relies on man-made canals and artificial lakes built for hydropower by state-backed electricity company EDF, which also serve as reservoirs. Emma Haziza, a hydrologist and expert on adapting to climate change, said Provence and the Pyrénées Orientales — the area around Perpignan on the border with Spain — had become much drier in recent years, and weather patterns there were changing in ways not yet well understood.

"Today people are waiting for the next rainfall but it's not going to solve the problem," she said. "We need a whole new approach to managing water to take less out of the ground."

Such considerations are what convinced René Ugo, mayor of Seillans, that the ban on construction was necessary.

Since last summer, the town of 2,700 — where a third of properties are holiday homes or seasonal rentals — has been forced to rely on water delivered by truck. Officials tracked each home's consumption remotely last summer and slapped the worst offenders who flout caps with flow reducers.

Not everyone looks favourably on the new approaches, however.

Laurent Largillet, the owner of Center real estate agency in Fayence, said: "I think they are being alarmist in the hope of getting people to slow their water use. But it is very damaging."

Treaty

Iran frees Belgian aid worker in swap for jailed diplomat

NAJMEH BOZORGMEHR — TEHRAN
SAM FLEMING — BRUSSELS

Iran has freed a Belgian aid worker who had been held on espionage charges, in return for the release of one of its diplomats accused of a foiled attempt to bomb a gathering in France of Iran's opposition.

The pair were swapped yesterday in Oman following a deal mediated by the Gulf country. Aid worker Olivier Vandecasteele, who was arrested last year, had been sentenced to 40 years in prison while Iranian diplomat Asadollah Asadi was handed a 20-year sentence after being found guilty in Belgium in 2021 in connection with the 2018 bomb plot.

Hossein Amirabdollahian, Iran's foreign minister, said in a post on Twitter that the "innocent" Asadi was "on his way back home" and would return to the Islamic republic shortly.

Belgian Prime Minister Alexander De Croo said: "Olivier Vandecasteele is on his way to Belgium. If all goes to plan, he'll be with us this evening. Free at last."

He said Vandecasteele had been flown to Oman on Thursday "where he was looked after by a team of Belgian soldiers and diplomats". He also had medical examinations "to assess his state of health and to enable him to return in the best possible conditions".

A prisoner exchange treaty between Belgium and Iran was struck in 2022 and upheld by Belgium's constitutional court this spring. Belgium has rejected the Iranian charges against Vandecasteele, and De Croo yesterday reiterated the aid worker's innocence.

Dozens of European nationals are believed to have ended up in Iran's jails in recent years, according to western diplomats in Tehran, some to be later traded for Iranian prisoners held in other countries.

Iran is also keen to swap Hamid Nouri — a former judiciary official who was last year sentenced by a Swedish court to life in prison for committing war crimes — with a Swedish-Iranian national charged with spying for Israel, according to western diplomats.

Supreme Court

US property developers win legal battle over wetlands

STEFANIA PALMA AND AIME WILLIAMS
WASHINGTON

US property developers scored a big win after the Supreme Court set new limits on the Environmental Protection Agency's authority over wetlands.

In the latest blow to the EPA, the decision from the highest US court has restricted the scope of the 1972 Clean Water Act, which allows the agency to regulate pollutants dumped into "waters of the United States" such as lakes, rivers and oceans.

The case stemmed from an Idaho couple who had challenged the EPA after being barred from building a home near a ditch that fed into a mountain lake.

In a majority opinion written by Justice Samuel Alito, the court found that the Clean Water Act allowed only for regulation of wetlands that have a "continuous surface connection" with "waters of the United States".

The EPA previously had power to address pollution over wetlands with a "significant nexus" to navigable waters, even if they were separated by dry land. But, Alito wrote, the EPA had "no statutory basis to impose [this test]".

Environmental advocates said the court's opinion could lead to businesses dumping more pollutants into water. Manish Bapna, president of the non-profit Natural Resources Defense Council, said the ruling "ripped the heart out" of laws protecting waters and wetlands.

The ruling will leave regulation of wetlands up to US states, whose regimes vary widely. Property developers expect the decision will make it easier for them to build without federal permits.

"We were actually very, very happy with the decision," said Thomas Ward, vice-president of legal advocacy at the National Association of Home Builders.

The Supreme Court decision is the second to undercut the EPA. Last year the court curbed its power to limit greenhouse gas emissions from power plants.

US president Joe Biden said the decision "upends the legal framework that has protected America's waters for decades".

ON THIS CLAY

"Victory belongs to the most obstinate." A pioneer of the air, Roland Garros* made this saying his personal motto. Over a century later, it still resonates in the stadium that bears his name. For here, on this clay, only the ones who can tame the surface, slide after slide, point after point, trace after trace, can hope to leave an indelible mark. **Welcome to Roland-Garros.**

*First aviator to cross the Mediterranean Sea, north to south non-stop (1913).

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INTERNATIONAL

Self-styled 'Kissinger' brokers African mission for talks to end Ukraine war

Controversial dealmaker sets his sights on getting Putin and Zelenskyy to the negotiating table

JOSEPH COTTERILL — JOHANNESBURG
DAVID PILLING — LONDON

The French dealmaker who is brokering an improbable African diplomatic mission to help end the war in Ukraine is a veteran commodities trader with homes in several continents and close friends in as many presidential palaces.

Jean-Yves Ollivier, a cigar-chomping middleman who has been striking deals on the continent for six decades, has previously taken credit for parlaying his business and political connections into prisoner swaps, troop withdrawals and ceasefires in some of Africa's thorniest conflicts.

His record as a broker in the oil-rich Republic of Congo, and links to its long-time president stretching back almost half a century, have made him a controversial figure. Other hats he has worn during his long career include advising Russia's nuclear power group, Rosatom.

Now, at 78, Ollivier has set his sights on what would be his most striking deal yet: getting Russia president Vladimir Putin and his Ukraine counterpart, Volodymyr Zelenskyy, to start talking.

Speaking to the Financial Times this week from the Poland-Ukraine border, before he was due to board a night train to Kyiv, Ollivier said all negotiations started somewhere and he had chosen grain, fertiliser and prisoner exchanges as the basis to open discussions between Moscow and Kyiv.

"I will play [Henry] Kissinger," he said of his role, referring to the former US secretary of state famed for his diplomatic manoeuvrings. "The most important thing in any negotiation is to put people together and talk about something," said Ollivier, who has homes in several countries in Europe and Africa.

Putin and Zelenskyy have agreed to meet the delegation of leaders from Egypt, Senegal, the Republic of Congo, South Africa, Zambia and Uganda, in Moscow and Kyiv next month.

Ollivier said they had every right to mediate in the conflict, given the enormous consequences for their region.

"The only continent that's really suffering is Africa. I don't think the US is suffering, I don't think Europe is suffering, except for a little bit of inflation," said Ollivier, a French citizen born in Algeria. "But in Africa, if there's no crop next year because there's no fertiliser, millions of people are going to die."

The African contingent will travel under the auspices of the Brazzaville Foundation founded by Ollivier. Yet Olusegun Obasanjo, a former Nigerian president who is on the foundation's advisory board, expressed scepticism about the initiative, especially as it has no backing from the African Union.

Obasanjo, himself a veteran negotiator, also worried that the mission was premature, based on conversations with the US state department and UK foreign office. "They made it clear this is not the right time," he said.

Ollivier, whose career began in the 1960s as a grain trader, is known as a fixer close to Denis Sassou-Nguesso, the Republic of Congo's president and one of those involved in the initiative. Ollivier has brokered several deals on behalf of Congo's state oil company and helped a venture backed by Och-Ziff, the US hedge fund now rebranded Sculptor Capital Management, to acquire a stake in an Eni-operated offshore gasfield in the country in 2010.

Go-between: Jean-Yves Ollivier, a veteran negotiator, says a deal allowing Ukraine to ship its grain, below, via the Black Sea is 'very fragile'
Simon Dawson and [illegible]/Bloomberg

The venture sold its 25 per cent stake in 2019 to Russia's Lukoil. Och-Ziff paid more than $400mn in 2016 to settle US allegations of bribery in several African nations, including a Securities and Exchange Commission claim that the firm had "failed to disclose material facts" regarding the Congo deal.

Ollivier said he had "never backed or been in contact directly or indirectly with Och-Ziff", and had "never been interrogated or questioned by the US, SEC or any other official body".

His connections to Putin stem from his work for Rosatom. "I was trying to promote the idea that China and Russia could work together to export civilian nuclear plant and both Russia and China chose me as a go-between," Ollivier said.

He denied any involvement in the contentious Rosatom deal with South Africa, agreed by then president Jacob Zuma, which was later struck down by the country's constitutional court.

Ollivier said his foundation's peace initiative came about after "conversations I had with some of my African leader friends", adding he had received no objections from western capitals.

South Africa's president, Cyril Ramaphosa, another of the sextet, was ideally placed to pitch to Putin and Zelenskyy, Ollivier said. Ramaphosa called both leaders this month as he was battling the fallout from a US accusation that his country covertly supplied arms to Russia.

Alex Vines, Africa programme director at the Chatham House think-tank, said "each African leader has an agenda" to take part. Zambia's Hakainde Hichilema was keen to counter perceptions he was too pro-western, Ramaphosa was seeking to rebuild his credibility after the US arms accusation, and Sassou-Nguesso wanted to shed the pariah status built up over his lengthy rule.

All were desperate to stem food price inflation and prevent shortages on their continent. Ollivier said the Turkey-brokered deal that allowed Ukraine to ship its grain via the Black Sea was "very fragile", despite it receiving a two-month extension last week.

'The only continent that's really suffering is Africa. If there's no crop next year because there's no fertiliser, millions of people are going to die'

Any push to release the Russian fertiliser exports that Africa needs in return for a better deal to export Ukrainian grain would need to be squared with Russia's severed access to the global Swift system for banking payments. While no western sanctions target Russian food or fertiliser exports directly, Moscow has blamed restrictions on financing and shipping for stranding its products.

"Swift's not going to be established for all Russia — we're not asking for that," Ollivier said, but access "should be established with specific banking channels, specifically for fertiliser".

Asked if his initiative was at risk of being used by either side for their own ends, Ollivier said it was normal in any negotiations that parties would see opportunities to push their own interests. The African leaders were "highly experienced and I don't think anybody wants to favour one or the other".

As to how serious any peace effort could be, given developments on the battlefield, with Ukraine preparing a counteroffensive and Russia fortifying its front lines, Ollivier was cautiously optimistic.

"The fact they already accepted to talk is progress in itself," he said.

Germany

Russian oligarch wins rare victory in legal battle over sanctions

GUY CHAZAN — BERLIN

The Uzbek-Russian billionaire Alisher Usmanov has won a rare legal victory after a court in Frankfurt ruled that searches of his property in Germany last year were unlawful.

Usmanov was one of 26 Russians hit with EU sanctions in the days after Russia's full-scale invasion of Ukraine in February last year, with the bloc describing him as one of Russian president Vladimir Putin's "favourite oligarchs".

His sister Gulbakhor Ismailova was also sanctioned as the legal owner of some of Usmanov's assets, such as his $600mn yacht Dilbar.

Usmanov's legal victory concerns a series of searches by German law enforcement last year in a money-laundering investigation into the businessman, who is also being investigated for tax evasion and sanctions violations.

Prosecutors searched three properties in Rottach-Egern, south of Munich, Usmanov's yacht Dilbar and a flat of another Uzbek citizen linked to Usmanov in Königstein, a small town near Frankfurt. According to German news magazine Der Spiegel, they confiscated art objects as well as documents.

The district court in Frankfurt ruled that there were no grounds to suspect Usmanov of money-laundering and revoked all four search warrants.

The court said the rulings that prompted the searches "do not meet the minimum requirements [of] the definition of the crime being investigated".

Spiegel said the judges criticised the fact that investigators relied on a YouTube video by Russian opposition activist Alexei Navalny and had failed to provide other evidence of irregular business practices.

A joint statement from lawyers Peter Gauweiler and Thomas Fischer said the court's statement confirmed that the proceedings against their client were "not objectively justified but . . . rather politically motivated".

The two lawyers, who represent the Uzbek embassy in Germany, said they assumed that the German government would now "compensate for damage resulting from these unlawful investigative measures".

The Financial Times reported in 2022 that Uzbekistan was lobbying the EU to lift sanctions on Usmanov and his sister. The businessman, who was worth about $20bn before Putin's invasion, has maintained close connections with Uzbekistan, where he was born.

Tashkent has argued that the sanctions against him, which include an asset freeze and travel ban, have restricted his ability to invest there.

Usmanov started accumulating his wealth while a senior director at Russian state gas company Gazprom in the 1990s.

He later built an industrial conglomerate involving steel, copper, telecoms, technology and media.

Spiegel reported that it was unlikely that objects confiscated in the searches will be returned to Usmanov, because the searches were also part of other investigations into him that have not been successfully challenged in court.

Energy. Climate legislation

Germans rebel against gas boiler ban under plans for 'heating revolution'

Coalition in disarray after backlash forces delay to law aimed at curbing emissions

GUY CHAZAN — BERLIN

Frank Krusche says he is not against heat pumps in principle. It is just that to install one he would have to knock down his house and build a new one.

"They only work in low-energy houses — and mine isn't," said Krusche, an engineer from east Berlin. "To make it truly energy efficient, you'd have to rebuild the whole shell, including the roof."

The reason he is even contemplating such drastic action is because of a government bill that in effect bans new gas boilers in Germany from January 1 next year. From then, newly installed heating systems would have to be at least 65 per cent powered by renewables.

Dubbed the "heat hammer" by the popular press, it is one of the most radical pieces of climate legislation Germany has ever produced. Ministers say it is pivotal to the country's plan to be carbon neutral by 2045. But the bill has triggered an intense popular backlash. Germans are worried about the enormous cost of switching from gas or oil-fired boilers to heat pumps and the tight deadlines the bill imposes.

"People are outraged and furious," said Petra Uertz of the Residential Property Association. "They can't understand why it has to happen so quickly."

The controversy has pitched Chancellor Olaf Scholz's government into its worst crisis since taking office nearly 18 months ago. MPs were supposed to debate it this week, but the liberal Free Democratic party (FDP) — one of the three parties in Scholz's coalition — postponed the parliamentary discussion, saying the bill still needed work.

Suddenly the plan to pass the law before MPs' summer recess was thrown into disarray. Green economy minister and deputy chancellor Robert Habeck, the bill's main sponsor, accused the FDP of a "breach of promise".

But the FDP believes it has public opinion on its side. A poll by Civey this week, carried out for the newspaper Die Zeit, found that 70 per cent of respondents wanted the bill to be withdrawn.

"This law affects 66mn Germans . . . and there is enormous disquiet," said Marie-Agnes Strack-Zimmermann, a senior FDP MP. The Greens' obsession with passing it before the summer break was absurd, she told public broadcaster ARD. "We shouldn't be tying it to a particular date come hell or high water, there are things in it that must be changed first," she added.

The disquiet is reflected in the Greens' approval ratings, which this week slumped to just 14 per cent, 2 percentage points behind the far-right Alternative for Germany (AfD). In regional elections in the city state of Bremen earlier this month, the Greens saw their share of the vote decline by 5 points.

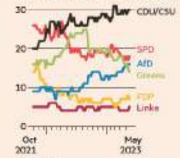
Installation: a plumber fits a gas boiler in Saxony ahead of the ban

There is a consensus in Germany that the way buildings are heated must change. Fossil fuels are used to heat about 75 per cent of Germany's housing stock and about 40 per cent of all boilers are more than 20 years old.

Yet under the government's climate plans, CO_2 emissions from buildings are supposed to decline from around 112mn tonnes a year currently to 67mn tonnes a year by 2030. Such a steep reduction can only be achieved, ministers say, if gas boilers are replaced by renewable systems such as heat pumps.

The Greens' approval rating has fallen to 14%

Approval rating of German parties (%)



Source: Forsa

German officials also argue that the cost of running fossil-fuel based systems will rise substantially in the next few years as the EU's emissions trading scheme is extended to buildings and people have to pay for the greenhouse gases emitted by their homes.

But the proposed boiler ban has already led to a series of unintended consequences. Thousands of Germans are seeking to beat the ban by installing new gas boilers before the January 1 deadline set by the bill, locking in CO_2 emissions for decades to come.

Around 168,000 gas boilers were sold in Germany in the first quarter of this year, a 100 per cent increase on the previous year, according to the ZVSHK, a trade association for heating, plumbing and air conditioning engineers.

"That's a big step backwards," said Helmut Bramann, head of the ZVSHK. "And it's a result of the great uncertainty in the population."

Maike Biert, a resident of Königswinter on the banks of the Rhine, toyed with the idea of replacing her gas boiler with a heat pump but was deterred by the €25,000-€30,000 price. Looking forward to paying off her mortgage in seven to eight years, she shrank at the idea of taking out another big loan. "They're asking way too much of families like ours," said Biert.

Ministers say generous grants will be made available, with the government covering 30 per cent of the costs of installing a heat pump. But a recent survey by the GIH, a trade body for energy consultants, found that the German authorities are taking 125 days on average to process a grant application for heating and renovation projects.

There are also big concerns that there are not enough plumbers in the country to implement the government's planned "*Wärmewende*", or "heating revolution".

Other issues lurk, chief among them being the strain the heat pumps will place on Germany's electricity network.

"This *Wärmewende* is just not feasible," AfD MP Marc Bernhard told the Bundestag. "We don't have enough skilled workers, we don't have enough electricity and people don't have enough money to pay for this madness."

See FT Big Read


When you think of investing
in electrification you'd be forgiven
for overlooking the humble sheep.
But as heat pump technology advances,
we'll turn to insulation to further increase
our homes' thermal efficiency.
Electrification is giving rise to a deep,
fundamental rewiring of the economy.
Where profit pools will surface
in unexpected places.
History is in the making. Again.
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Security fears

Portugal paves way for Huawei 5G ban

Lisbon's potential U-turn is blow for Chinese group's plan to expand in Europe

ANNA GROSS — LONDON
BARNEY JOPSON — MADRID

The Portuguese government has set the stage for a ban on Huawei equipment in the country's 5G network in what would be a policy U-turn that delivers a severe blow to the Chinese company's ambitions in Europe.

A document from the Portuguese government's cyber security council laid out the rationale for an eventual ban on some 5G equipment, including Huawei's, by outlining a plan to restrict the use of kit deemed "high risk", said telecoms industry officials.

Governments around the world have used the term "high-risk vendor" to refer to Huawei when introducing curbs on the use of the company's equipment.

The question of whether or not to allow telecoms groups to use Huawei equipment in 5G infrastructure has become a major issue in Europe after Washington launched an offensive to get allied nations to ban the Chinese group on national security grounds.

The UK, Denmark, Sweden, Estonia, Latvia and Lithuania have banned Huawei from their 5G network build. This year, Germany said it was reviewing the use of Chinese components in its 5G network and investigating whether a change in the law would be required.

But Portugal was one European country that pushed back against the US lobbying. Portuguese prime minister António Costa, whose country has been one of the biggest per capita recipients of Chinese investment, said in 2019 that Chinese companies had "shown complete respect for our legal framework and the rules of the market".

The security move points to a significant shift in Lisbon's relationship with Beijing. It flourished as economic links grew in the past decade but has become more difficult as the US presses European allies to cool ties with China.

The document from the cyber security council outlines plans to exclude or apply restrictions on the use of equipment deemed high risk in its 5G network, but does not have any immediate effect because it would need to be approved by the cabinet, which oversees the cyber security council.

The Portuguese government said its assessment might result in the exclusion, restriction or termination of use of certain equipment and services. But it noted that the result of its assessment was still "classified".

The three main mobile telecoms groups in Portugal are Altice Portugal, Nos and Vodafone. Altice Portugal, the largest operator, signed an agreement with Huawei in 2018 to use the Chinese vendor as part of its 5G rollout.

Huawei said it was aware that the Portuguese government had published a statement concerning the security risk of telecoms equipment and was in the process of gathering more information.

"Huawei has no prior knowledge of, and hasn't been consulted about, this matter," it said. "Over the past two decades, Huawei has worked with Portuguese carriers to build out wireless networks and provide quality services that connect millions of people. We will continue to comply with all applicable laws and regulations, and serve Portuguese customers and partners who rely on our products and services."

Washington visit

US and China ministers hold rare meeting in push to ease trade tensions

JOE LEAHY — BEIJING
JAMES POLITI — WASHINGTON

China's commerce minister and his US counterpart have raised concerns about their countries' trade and investment policies at a meeting in Washington but pledged to keep channels of communication open in the first visit by a senior Chinese official to the US capital since 2020.

The talks between Chinese commerce minister Wang Wentao and US commerce secretary Gina Raimondo on Thursday came as Washington and Beijing showed tentative signs of efforts to stabilise relations, which have hit their lowest point in 50 years.

Wang raised concerns about US export controls in areas such as semiconductors, as well as a proposal to review outbound investments for security purposes, according to a statement from Beijing's ministry of commerce.

The US commerce department said the officials had "candid and substantive" discussions, including on the "overall environment in both countries for trade and investment and areas for potential co-operation".

"Secretary Raimondo also raised concerns about the recent spate of PRC actions taken against US companies operating in the PRC," the department said, referring to the People's Republic of China.

Tensions flared last weekend when the G7 group of industrialised countries, meeting in Hiroshima, issued a statement criticising China over security issues, such as its militarisation of the South China Sea and its use of "economic coercion" in trade.

Beijing issued an angry response, accusing G7 countries of seeking to contain other nations. It also announced a ban on Chinese information infrastructure companies buying chips made by US memory chipmaker Micron Technology, in what was seen as retaliation against Washington's curbs on the sale of advanced semiconductors to China.

Chinese authorities in major cities have raided foreign consultancies in recent weeks, including shutting down the Beijing office of US-based due diligence group Mintz and detaining five of its local employees.

But analysts said there were indications the countries might be trying to put a floor under tensions, with US president Joe Biden also forecasting a "thaw" in relations at the end of the G7 summit in Hiroshima. Chinese state media last week said Wang's meetings in Washington indicated that both sides "recognised the importance of economic and trade relations".

The US commerce department yesterday said the meeting was part of efforts to "maintain open lines of communication and responsibly manage the relationship". It added that Raimondo had expressed her commitment to building on the "engagement" between Biden and Chinese president Xi Jinping, who last met at a G20 summit in Bali in November.

Analysts said the countries could be trying to create the conditions for Xi to visit the US in November for a meeting of the Asia-Pacific Economic Cooperation forum.

Additional reporting by Maiqi Ding, Beijing

See Opinion

Sport. Discrimination

Spanish football risks red card over racist abuse

'Clock is ticking' for La Liga to fix issue and reassure sponsors following Real Madrid incident

JOSH NOBLE AND BARNEY JOPSON
MADRID

Solidarity: Real Madrid players wear the shirt of Vinícius Júnior, below, in support of the Brazilian's stand against racists
Javier Soriano/AFP/Getty

Racism targeting Real Madrid football star Vinícius Júnior has left Spain's top league scrambling to repair its international image and prompted national soul-searching over discrimination.

During Real Madrid's match at Valencia last weekend, the 22-year-old Brazilian reported racist abuse from fans to the referee, but was shown the red card at the end of the match after a scuffle with opposition players.

Javier Tebas, chief executive of La Liga, which runs the top two Spanish divisions, sparked international outrage when he urged Vinícius to "educate himself" after the Brazilian said that the league "belonged to the racists" and urged sponsors and broadcasters to push it into taking action.

While racism is a persistent problem in Europe, the incident has left Spanish football — one of the country's most important cultural exports — racing to reassure sponsors and fix the damage.

La Liga generated international broadcast revenue of €897mn last season, according to Enders Analysis, making it the second most valuable domestic competition in the world after England's Premier League. Real Madrid and Barcelona are two of the most popular names in global sport.

Some of La Liga's biggest sponsors, such as Santander and Puma, have voiced their support for Vinícius. One commercial partner told the Financial Times the incident was "damaging Spain's brand". Others in the industry warned that La Liga's long-term appeal could be tarnished.

"No brand wants to be associated with racism. Unless something decisive is done soon, brands may opt not to renew their sponsorships," said Ricardo Fort, a sports business consultant who previously ran global sponsorship at Visa and Coca-Cola. "The clock is ticking for La Liga."

In Brazil, president Luiz Inácio Lula da Silva demanded action from Fifa, football's governing body, and La Liga, and said he would raise the issue with Pedro Sánchez, Spain's prime minister.

The incident has dominated the news in Spain, prompting Sánchez to say there should be "zero tolerance for racism in football" and no place for xenophobia in society. Other politicians trod more carefully ahead of regional and local elections this weekend.

"A politician doesn't want to say that Spaniards are racist. They say 'it's just a few people' . . . if you call me racist maybe I won't vote for you," said Carlos Miranda, a former Spanish ambassador to the UK and Nato.

Spain's footballing authorities have tried to show they are tackling the problem. The football federation ordered Valencia to close part of its stadium for five matches, and launched an anti-discrimination campaign with the slogan *Racistas, fuera del fútbol* ("Racists, get out of football").

La Liga said on Wednesday it felt "powerless" to do more and called for legislation so it could impose sanctions on clubs and fans.

Mass chants of "*mono*" (monkey) by opposition fans against black and mixed-race players — the same chant reported to the referee by Vinícius — are not uncommon. The Valencia match was the 10th time that racism directed at Vinícius has been reported to La Liga since 2021.

Tebas on Wednesday apologised for his comments, saying they had been misinterpreted.

In a letter to commercial partners seen by the FT, La Liga outlined its anti-racism efforts but said it was "unfair to tarnish a competition and a country in a sweeping generalisation due to the thoroughly reprehensible actions of a few".

Police made several arrests in the days after the match related to two incidents of racism, including one involving an effigy of Vinícius hung from a bridge near Real Madrid's training ground.

The club's entire squad took to the pitch before a home game on Wednesday wearing Vinícius's number 20 shirt and the Brazilian — who did not play because of injury — received a standing ovation. A huge banner at the Santiago Bernabéu stadium read: "We are all Vinícius. Enough is enough."

Racism has dogged European football for decades. After England players Bukayo Saka, Jadon Sancho and Marcus Rashford missed penalties in the Euro 2020 final, the trio received a torrent of racist abuse online.

> 'No brand wants to be associated with racism. Unless something decisive is done soon, [sponsors] may opt not to renew their deals'

Miguel Otero, a Real Madrid fan and political economist at the Elcano Royal Institute, said Spanish football was in the middle of a "modernisation" that happened much earlier in England, a process that made stadiums more welcoming for families and helped to bring in more money for clubs.

"A lot of people still have this romantic view of football as a place where you can liberate your tensions, where you can say what you think, where you can shout," he said. "But it's become a place where you cannot just go and insult."

Others see this week as a moment of realisation in Spain. Real Madrid head coach Carlo Ancelotti said Vinícius had helped increase awareness and that he expected things to improve "very quickly".

"An awful lot has happened. Society at large, not just sport, has accepted its guilty conscience a little bit," he said. "It could be a real opportunity."

Additional reporting by Samuel Agini in London

Opposition arrests

Khan bemoans Pakistan crackdown on party

BENJAMIN PARKIN — NEW DELHI
FARHAN BOKHARI — ISLAMABAD

Pakistani authorities have launched a crackdown on former prime minister Imran Khan's Pakistan Tehreek-e-Insaf party, detaining thousands of the popular opposition leader's supporters and allegedly pressuring senior allies to quit the group.

Pakistan's army and the government of Prime Minister Shehbaz Sharif have responded fiercely to violent protests this month sparked by Khan's arrest by an anti-corruption agency. At least 10 people have died in the protests and military buildings have been vandalised.

Khan, who is out on bail, claimed on Thursday that 10,000 PTI supporters were in jail. The government has estimated that the figure is lower. "The state is trying to dismantle the party," Khan said, warning that Pakistan had begun a "descent into fascism" under Sharif.

A number of senior PTI leaders have also been arrested, and some abruptly announced they were quitting the party and leaving politics in recent days. These included Fawad Chaudhry and Shireen Mazari, both former PTI ministers. Mazari announced her retirement on Tuesday after being arrested four times this month.

Sharif and the army, which plays a powerful behind-the-scenes role in governing the country, have condemned the violence by Khan's supporters and vowed to crack down on the alleged perpetrators, with the prime minister accusing them of terrorism. Defence minister Khawaja Asif said that authorities were considering banning the PTI.

> 'The state is trying to dismantle the party' as Pakistan begins a 'descent into fascism'

Khan, who has led a relentless and often vitriolic campaign for immediate elections, and his party have also condemned the violence.

On Wednesday, the former prime minister offered to negotiate with the government to find a solution to the crisis — his most significant concession since his removal from office in a no-confidence vote last year. "If they have a solution and [show] that the country will do better without Imran Khan, I am ready to step aside," he said.

The crackdown has alarmed international observers, with the UN's human rights commissioner Volker Türk warning that "the rule of law [is] at serious risk". Analysts said it is one of the biggest challenges to democracy in Pakistan since it returned to civilian rule in 2008 after years of dictatorship.

"The current crackdown is evidence of a slide towards full-blown authoritarianism," said Uzair Younus, director of the Pakistan Initiative at the Atlantic Council, a Washington-based think-tank. "The current structure still has a facade of civilian democratic rule through parliament. Whether it survives the onslaught remains to be seen."

He added the campaign was "being driven by the military, with the coalition government in Islamabad playing the role of a willing junior partner".

Pakistan's military and the government did not respond to requests for comment.

Covid-19

Pfizer and EU agree deal to cut vaccine supply

HANNAH KUCHLER — LONDON
JAVIER ESPINOZA AND ANDY BOUNDS
BRUSSELS

The European Commission and Pfizer have agreed a deal to cut the number of Covid-19 vaccines supplied to the EU, resolving tensions between the majority of member states over paying for shots that may not be used.

After months of negotiations 24 member states signed up to the amended contract. Poland and Hungary did not support the new deal, while Romania is expected to sign next week. The holdouts complained that it was not a good use of stretched healthcare budgets, given the fading threat from Covid-19.

US pharmaceutical company Pfizer sold the shots, developed with Germany's BioNTech, for about $19 a dose under the contract signed in 2021, but the new price has not been disclosed.

The most recent proposal included a new provision for member states to pay half price, about €10, for each dose they cancelled, according to people close to the negotiations. It also proposed that deliveries should total 70mn shots a year until 2026. Stella Kyriakides, European commissioner for health and food safety, welcomed the new vaccine agreement, which also allows countries to delay the delivery of some doses for up to four years.

"We have brought the pandemic under control largely through our vaccines and vaccinations. And while Covid-19 is no longer a global health emergency, it remains a threat that is likely here to stay. It is crucial therefore that we are prepared for the years to come," she said.

Falling demand: fewer people within the EU are having Covid booster jabs

The original agreement was signed in 2021 as the world grappled with a shortage of jabs and the EU became concerned about delays to the delivery of vaccines from AstraZeneca and other suppliers.

Last year, the European Public Prosecutor's Office confirmed it had launched an investigation into the commission's acquisition of Covid-19 vaccines. But it did not make further details public. It did not immediately respond to a request to comment on whether the probe was continuing.

Pfizer and BioNTech said the amended agreement "reflects the companies' commitment to working collaboratively to help address ongoing public health needs, while respecting the principles of the original agreement".

The partners added that the commission would maintain access to Covid vaccines adapted for any future variants and have the ability to donate doses to non-EU countries.

Sales of Covid vaccines have been falling as governments work through existing supplies and contracts, and fewer people take up annual boosters.

FT BIG READ. CLIMATE CHANGE

Experts, lawmakers and activist groups are increasingly worried that this year's UN climate summit in the UAE will be too beholden to the oil and gas industry to make meaningful progress.

By Camilla Hodgson and Aime Williams

Is COP28 destined to be a flop?

When Sheldon Whitehouse, the Democratic senator for Rhode Island, was invited to a dinner at the culmination of the COP27 climate talks in Egypt last year, he was expecting to meet some American businessmen in the region.

Instead, to his dismay, the dinner was co-hosted by the US Chamber of Commerce, a powerful lobbying group with ties to the fossil fuel industry.

It left "a pretty sour taste in my mouth," says Whitehouse, who for nine years gave a weekly speech in the US Senate warning about the impending climate disaster.

So when the host nation for this year's summit, the United Arab Emirates, appointed oil executive Sultan al-Jaber to the pivotal role of COP28 president, Whitehouse decided he had had enough.

Along with European colleagues, he orchestrated a letter to US president Joe Biden and European Commission president Ursula von der Leyen, calling on them to press the UAE into replacing Jaber, who is also the head of the Abu Dhabi National Oil Company. His leadership, argued more than 100 signatories last week, risked "undermining the negotiations".

The letter is the most dramatic example yet of a growing blowback against the COP28 presidency from climate experts, lawmakers and humanitarian groups, who fear that the team's ties to the fossil fuel industry will impede progress at this year's summit in November.

The appointment was like "putting the tobacco industry in charge of ending smoking," says Michael Bloss, a German MEP with the Green Party, who signed the letter.

Scientists are clear that reducing the production and use of coal, oil and gas is key to meeting the Paris Agreement goal of limiting warming to 1.5C above preindustrial levels.

But Jaber has instead talked about the need to tackle fossil fuel "emissions", a distinction that analysts says is out of the industry playbook and implied using carbon capture technology, which is unproven at scale, to prolong the use of the polluting fuels.

The role of COP president is instrumental to the direction and objectives of the annual summit, which brings together world leaders, negotiators, businesses and civil society groups to seek consensus on how to address climate change.

A COP28 that lacks ambition and fails to achieve progress would feed into broader concerns about the effectiveness of the summits, following sustained criticism of COP27 — which more than 600 fossil fuel lobbyists registered to attend, and did not include a commitment to phasing down fossil fuels.

Experts say it is too early to write off COP28, but that time is running out for the presidency to win the confidence of the global community and show it has real ambitions to make it a success.

COP presidencies must be neutral, says Alden Meyer, a senior associate at think-tank E3G: "Can the incoming president and his organising team rise above UAE's own interests as a fossil fuels producer? That's the real question."

'Can the incoming COP president and his team rise above the UAE's own interests as a fossil fuel producer? That's the real question'

'Two weeks to save COP28'

The announcement of Jaber as COP28 president in January sparked immediate anger from civil society groups, who said it was folly to expect the head of a major oil company to advocate for ambitious climate action. Under Jaber, the Adnoc board last year sped up plans to increase oil production capacity.

The Emirates countered that Jaber had been instrumental in guiding the UAE's adoption of renewables and launching Abu Dhabi's clean energy company, Masdar, in 2006. Jaber remains the chair of Masdar, which has invested or committed $30bn to renewable power projects across 40 countries. But while Adnoc, which is a shareholder in Masdar, has committed $150bn in capital spending over five years to 2027, only $15bn is earmarked for "low carbon solutions" until 2030.

The appointment of Jaber was followed by a series of uncomfortable developments, including the news that the UAE had invited the Syrian leader Bashar al-Assad to the conference.

The COP28 team did not comment on whether it considered Jaber's dual roles a conflict of interests, but noted his 20 years working in the renewable energy sector, his experience in climate diplomacy and his role in "decarbonising, [and] transforming" Adnoc.

Jaber had this year "consistently called on the oil and gas sector to up its game, do more, and do it faster," it said, and while "the phaseout of fossil fuels is inevitable . . . this will take time."

Western leaders have stood by Jaber, in public at least. The EU's commissioner for green policy Frans Timmermans and US climate envoy John Kerry have lent support to him. The French diplomat Laurence Tubiana, a key architect of the Paris Agreement, wrote in May: "Who better than the UAE to demonstrate it is part of the solution? The UAE cannot afford to play it safe."

But it is yet to show evidence of significant ambition. COP presidents typically work to build support for their ideas throughout the year, over months of careful diplomacy.

May's Petersberg Climate Dialogue in Berlin was expected to be a moment when the COP28 presidency outlined its vision for the summit.

Instead, Jaber told those present that fossil fuels would "continue to play a role in the foreseeable future", and provided little detail about the team's plans for the conference.

That worried some officials, who are looking to the Bonn Climate Change Conference in June — roughly the halfway point to COP — as the next major moment when a blueprint might come.

"Jaber has two weeks to save COP28," says Alex Scott, E3G's lead for climate diplomacy. "He needs to arrive in Bonn with a plan of action. It's vital for his credibility that he meets the challenge and ensures he's not simply seen as a defender of oil and gas interests."

COP28 said the president had "detailed priorities multiple times" after a "listening and engagement tour" this year, including making climate finance more available and tripling global renewable energy capacity by 2030.

One major focus at COP28 will be the so-called "global stocktake", when countries will assess progress towards cutting emissions. Another key discussion will be about crafting a new fund to help pay for the damage done to developing nations by extreme weather events. And all eyes will be watching to see whether the final deal includes a commitment to phase down fossil fuels.

But Jaber's focus on fossil fuel emissions, and the team's early plans for a new alliance of oil and gas companies committed to reducing emissions that was widely branded as unambitious, have worried analysts.

Mafalda Duarte, the incoming head of the UN's Green Climate Fund, says Jaber was right about the need to invest in solutions such as clean energy, but questioned the focus on carbon capture technologies: "This is where the scepticism comes in."

The need to ramp up renewables is only "one side of the equation," says Meyer. "I think they are trying to avoid having a full-blown commitment to the kind of reduction in fossil fuel production and consumption that we need to see . . . That's going to lead to a real clash in Dubai."

A lightning rod

Beyond the fossil fuels question, the presidency will have to navigate other difficult challenges, including how to make activist groups feel comfortable in a country that does not allow protests.

There is also the question of how western diplomats might negotiate being in the same place as the Syrian leader and his representatives, if they attend. The invitation, which has been widely criticised, was seen as part of a move by countries in the region to improve relations with a regime under sanctions by the UN for its use of chemical weapons and other alleged war crimes.

How the COP28 team juggles the competing interests at the summit will be the best test of its commitment to tackling climate change, analysts say — especially as the influence of the regional powerhouse, Saudi Arabia, is expected to weigh heavily on the host.

But a COP hosted by a petrostate was always going to attract particular scrutiny, experts say. "No matter who they put up for the president, there was going to be a perception of a conflict," says Meyer. Jaber was "a lightning rod for a much broader critique of the system".

Civil society groups reacted with anger to the announcement in January of oil executive Sultan al-Jaber as COP28 president
Rory Griffiths/FT/Getty Images

'Who better than the UAE to show it is part of the solution? [It] cannot afford to play it safe'

Behind the scenes, the UN's climate chief Simon Stiell is working to reform the COP process to make it more transparent. Civil society groups hope for a new conflict of interests policy and a requirement for participants to disclose climate-related lobbying.

But such ideas have been around for years, with little progress made reportedly as a result of resistance from countries including the US and Australia.

Despite discomfort at the UAE's hosting in some quarters, no countries are yet talking publicly about boycotting the summit. Representatives of climate vulnerable countries said it was important for them to be present.

"We look forward to being there," says ambassador Samuelu Laloniu, a special envoy from Tuvalu, a low-lying Pacific island at risk from sea level rise. "Our absence from the discussion will not serve the interests of our islands."

But that doesn't mean ignoring the key issues at hand, he adds. "The only way to keep the [1.5C] target alive is to address the problem at the source," and fossil fuels are "the culprit here."

If western leaders do nothing else, says the Democratic senator Whitehouse, they must maintain close scrutiny of the UAE until November.

"The prudent step," he says, is to pile on the pressure "to try to create the transparency and the environment where they can't go easy on the fossil fuel industry."

Additional reporting by Simeon Kerr

Obituary

The archetypal survivor whose willpower conquered all

Tina Turner
Singer
1939-2023

When Tina Turner sang a song, it stayed sung. The Tennessee-born singer, who has died aged 83, brought the tradition of blues and gospel shouters into the loudly amplified world of rock 'n' soul in the 1960s. Her vocal style pushed things to the limits, a sublime but risky place where words flirted with the chaos of pure sound. Witness the electrifying yowl with which she takes possession of the word "proud" in one of her best-known songs, "Proud Mary".

Few have matched her estimated record sales of 100mn, or her assertiveness behind a microphone. But what was being asserted? Born in 1939, Turner was raised in the American South during the Jim Crow era, the daughter of black sharecroppers. However, she didn't become a leading voice in the civil rights movement like her contemporary Aretha Franklin. Her forthrightness had a more fiercely compacted quality. It was an expression of drive, the determination to be heard whatever the obstacle.

"You take away the bondage, the problems, the hang-ups, the egos, and I can fly," she told the LA Times in 1984. "I can laugh, I can dance, I can sing, and I don't grow tired. Freedom. That's my motivation."

For the white rock musicians who copied her, freedom was a rhetorical concept. For Turner, it had an urgent practical meaning. Not only did she grow up in a southern state at a time of legalised racism, but she also entered a branch of the music business in which young female singers were choreographed and controlled by men.

Brought up as Anna Mae Bullock, she was given the stage name Tina by the R&B bandleader Ike Turner, who recruited her after hearing her sing in a St Louis nightclub in 1957. By the time they married in 1962, she had moved from back-up to lead vocalist. Ike styled her as an eroticised primitive, choosing "Tina" to rhyme with comic book heroine Sheena, Queen of the Jungle. "Ike would always have me screaming and shouting on his songs — selling them," she said in her memoir, *I, Tina*.

Phil Spector was the first producer to note the quality of her singing. "He told me I had an extremely unusual voice, that he had never heard a woman's voice like mine," she recalled. He paid $20,000 to sign the Turners to his label. Under his aegis, they made "River Deep — Mountain High" in 1966. It featured a storming vocal from Turner, contending operatically with Spector's imposing instrumentation. The producer rated the song among his best.

Supporting The Rolling Stones on tours in 1966 and 1969 brought the married duo a crossover audience. "Proud Mary", originally by rock band Creedence Clearwater Revival, was their biggest hit, selling more than 1mn copies in 1971. The singer's uninhibited stage presence was admired by rock frontmen such as Mick Jagger. Her dance moves had an unbridled energy, closer in spirit to James Brown than the drilled moves of a Motown act or girl group.

Behind the outward signs of success, Turner's marriage was blighted by Ike's violence towards her. When she attempted suicide with sleeping pills, she came round to find him shouting, "You should die". In 1976, she left him, a decision she credited to her faith in Buddhism. (Spector, who was later convicted of the murder of a woman at his home, denounced her at her ex-husband's funeral in 2007.) The decision left her in debt and pursuing a flop solo career — until one of the most remarkable comebacks in pop history.

Turner in 1996. 'Whatever you want in life, you can have it,' she said

Her vocal style pushed things to the limits, a sublime but risky place where words flirted with the chaos of pure sound

Turner's album *Private Dancer* came out in 1984 when she was in her 40s. Made in the UK, it rebooted her for an era of synthesisers and MTV. Her voice was no less resonant in this new landscape, revealing a gift for storytelling and role play. The album went multi-platinum, elevating her to the ranks of pop's biggest names.

The singer's run of hits continued throughout the decade, with a particular specialism in air-punching empowerment anthems such as "The Best". In 1995, she moved to Switzerland, where she took citizenship in 2013 after marrying her second husband, Erwin Bach.

Her reputation as an archetypal survivor was burnished by the Hollywood biopic *What's Love Got to Do With It* and the musical *Tina*. Behind that generic tale lay individual talent, a towering voice and inimitability. "Whatever you want in life, you can have it," she said in 1979, before her grand comeback. "All you have to do is speak it, demand it; your will can make it happen. We human beings are very powerful."

Ludovic Hunter-Tilney

The FT View

Letter from the editor on generative AI

Roula Khalaf | Editor

In its more than 130-year history the Financial Times has upheld the highest standards of journalism. As editor of this newspaper, nothing matters to me more than the trust of readers in the quality journalism we produce. Quality means above all accuracy. It also means fairness and transparency.

That's why today I am sharing my current thinking on the use of generative artificial intelligence in the newsroom.

Generative AI is the most significant new technology since the advent of the internet. It is developing at breakneck speed and its applications, and implications, are still emerging. Generative AI models learn from huge amounts of published data, including books, publications, Wikipedia and social media sites, to predict the most likely next word in a sentence.

This innovation is an increasingly important area of coverage for us and I am determined to make the FT an invaluable source of information and analysis on AI in the years to come.

But it also has obvious and potentially far-reaching implications for journalists and editors in the way we approach our daily work, and could help us in our analysis and discovery of stories. It has the potential to increase productivity and liberate reporters and editors' time to focus on generating and reporting original content.

However, while they appear to be very articulate and plausible, AI models on the market today are ultimately a prediction engine and they are learning from the past. They can fabricate facts — this is what is referred to as "hallucinations" — and make up references and links. If sufficiently manipulated, AI models can produce entirely false images and articles. They also replicate the existing societal perspectives, including historic biases.

It is my conviction that our mission to produce journalism of the highest standards is all the more important in this era of rapid technological innovation. At a time when misinformation can be generated and spread rapidly and trust in the media in general has declined, we at the FT have a greater responsibility to be transparent, to report the facts and to pursue the truth. That is why FT journalism in the new AI age will continue to be reported and written by humans who are the best in their fields and who are dedicated to reporting on and analysing the world as it is, accurately and fairly.

FT journalism in this new age will continue to be reported, written and edited by humans who are the best in their fields

The FT is also a pioneer in the business of digital journalism and our business colleagues will embrace AI to provide services for readers and clients and sustain our record of effective innovation. Our newsroom too must remain a hub for innovation. It is important and necessary for the FT to have a team in the newsroom that can experiment responsibly with AI tools to assist journalists in tasks such as mining data, analysing text and images and translation. We won't publish photorealistic images generated by AI but we will explore the use of AI-augmented visuals (infographics, diagrams, photos) and when we do we will make that clear to the reader. This will not affect artists' illustrations for the FT. The team will also consider, always with human oversight, generative AI's summarising abilities.

We will be transparent, within the FT and with our readers. All newsroom experimentation will be recorded in an internal register, including, to the extent possible, the use of third-party providers who may be using the tool. Training for our journalists on the use of generative AI for story discovery will be provided through a series of masterclasses.

Every technology opens exciting new frontiers that must be responsibly explored. But as recent history has shown, the excitement must be accompanied by caution over the risk of misinformation and the corruption of the truth. The FT will remain committed to its fundamental mission and will keep readers informed as generative AI itself and our thinking on it evolve.

Opinion Politics

US debt, unruly politicians and unchecked spending

Roy Griffiths/FT/Getty Images

Michael Strain

The US is set to breach its borrowing limit as early as next week, yet Republicans and Democrats have not yet finalised a deal to increase the debt ceiling and avoid an economic and financial catastrophe.

The nation has arrived at the brink of disaster because of a collision of structural problems in the economy and political system. A deal to increase the debt ceiling and cut certain categories of federal spending would fix the immediate crisis, but would not address these festering problems.

What are they? Start with the economics. There is no doubt that the national debt is on an unsustainable trajectory. The non-partisan Congressional Budget Office projects that federal debt held by the public will grow as a share of annual economic output from 98 per cent in 2023 to 118 per cent in 2033 and 195 per cent in 2053.

Even if Biden and McCarthy pull it off this time, this is a powder keg for future negotiations

But the debt ceiling bill passed by House Republicans in April cuts spending in the part of the budget that is already putting downward pressure on the debt. So-called "discretionary" spending – which includes education, transport, housing assistance and public health – is projected to fall by nearly 1 percentage point of annual GDP over the next three decades.

Meanwhile, spending on Social Security and Medicare is projected to rise as a share of annual GDP from 8.2 per cent in 2023 to 10.1 per cent in 2033, and 11.9 per cent in 2053. These programmes – plus growing interest payments on the debt – are responsible for the unsustainable path of the national debt. But there is bipartisan agreement not to cut spending on them.

When it comes to politics, the normalisation of brushing up against default combined with leaders who have waning influence over members of their parties is a catastrophe waiting to happen. Even if President Joe Biden and House Speaker Kevin McCarthy pull it off this time, this is a powder keg for future debt ceiling negotiations.

The hardline Freedom Caucus has signalled that it has very limited appetite for compromising on any provisions in the House bill. Chip Roy, a key House Republican, sent a memo to his colleagues this week arguing that each provision in the bill is "critical and none should be abandoned solely for the quest of a 'deal'".

It will be an arduous task for McCarthy to convince hardliners and chaos agents in the House to support a compromise. His position is precarious. Any one member is able to force a vote on removing him from office.

Can Biden deliver sufficient Democrats to support a deal that has enough of what the House GOP wants, so that McCarthy can bring it to his members? To illustrate the challenge, consider tougher work requirements for safety net programmes. These are part of the House bill, and McCarthy has called them a "red line" in the negotiations.

Biden suggested that he might be open to modestly strengthening some requirements for able-bodied adults without dependants. But progressive Democrats have stated that this is a non-starter. Could Biden find enough House Democrats — as many as 100 may be needed — to support a compromise that strengthened these requirements when the party's progressives are so opposed?

The main problem is not Biden and McCarthy. It is structural. The extremist wings of both parties have increased their relative power over centrists, in part reflecting changes in the electorate itself. Politicians facing re-election want to appear ideologically pure in order to avoid a challenge for their party's nomination. They are less concerned about appealing to general election voters by passing laws that reflect bipartisan compromise. This in turn draws in more extreme candidates, aggravating the problem and further weakening the grip that leaders have over party members.

Assuming the present crisis passes, how should Congress move forward? Address the structural problems. The debt ceiling would be less of an issue if the national debt were on a downward trajectory. This will require increasing projected tax revenue and decreasing future spending on Social Security and Medicare.

Legislation to this effect should also recognise that politics is more extreme and politicians more unruly. In the future, adequate increases in the debt ceiling should be automatically linked to any law that would add to the budget deficit.

Enacting these structural reforms would be a Herculean task. But the alternative could leave the US as a deadbeat nation that can't pay its bills on time, sagging under the weight of its debt. The US's place as a global economic and political leader would be greatly diminished — to the detriment of the nation, and the world.

The writer is director of economic policy studies at the American Enterprise Institute

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Letters

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Global south takes divergent path from great western powers

Alec Russell's article "This is the hour of the global south" (Opinion, May 20) hits the nail on the head.

Much to the west's chagrin, some of the leading countries in Africa, Asia and Latin America have refused to go along with the "us versus them" logic applied by the G7 to the war in Ukraine. While many of these countries in the global south condemn Russia's invasion, they are also opposed to making this into a global, rather than a European war.

The notion that the rules-based international order is in peril when there is a war in Europe, but not when such wars, often fuelled by Nato countries themselves, take place elsewhere, does not go down well in Delhi, Pretoria or Brasília.

Thus the opposition to join in the unprecedented diplomatic and economic sanctions against Russia. And far from this being a one-off instance of rising powers and other developing nations following their own path, or expressing a moral failure to take sides in a "good versus evil" battle, as some would have us believe, it shows what, with my colleagues Carlos Fortin and Carlos Ominami, in a new book we have called "active non-alignment". This is an approach to foreign policy premised on not taking sides in the great power competition of our time, and evaluating each issue on its merits.

ANA takes a page from the non-aligned movement of yesteryear, but adapts it to the realities of the new century, one in which the gross domestic product of the Brics in purchasing power parity terms is already larger than that of the G7. It is also pragmatic, non-ideological and focused on the global issues that keep being sidelined by the great powers in their misguided obsession to attain primacy over each other. And although Latin America was late to join the NAM, on this occasion it has been ahead of the curve, both in theory (originating the notion of ANA in 2020) and in practice (with an unaligned Brazil spearheading mediation efforts in the war in Ukraine).

Jorge Heine
Research Professor
Pardee School of Global Studies
Boston University, Boston, MA, US

Sun rises for Japanese stockpickers as yen fades

According to Leo Lewis (The Big Read, May 19) the Japanese stock market may be enjoying an *annus mirabilis*, which, as a very retired Japan strategist, is rather late for me, but I can at least observe from the sidelines and wonder, along with Lewis, whether the market has really lifted the iron coffin lid and broken out into a brighter future.

Lewis offers various explanations for why Japan is now swaggering rather than staggering, citing the usual suspects — shareholder activism, corporate governance, even dear old Warren Buffett. He ignores, however, the most obvious.

Since 2005, the Topix index has marched in lockstep with the currency — it has shown a close inverse relationship with the yen/$ rate which is, as far as I know, unmatched among the world's equity markets. The simplest explanation for why the Topix has, improbably, broken through 2,000 is that the yen has, equally improbably, weakened beyond 130 to the dollar. I would be more convinced by the market's ascent if it were taking place at a time of yen strength.

According to Lewis, the market has been driven by buying from passive rather than active funds. This is a pity since Japan's hidden secret is that it is a happy playground for stockpickers — it has always been a haven for the alpha rather than beta generation. No other market save the US offers such a broad range of investible equities, which is being constantly replenished by a steady stream of IPOs. Many of these companies may be relatively small or illiquid, but it is much easier to trade in small Japanese companies than, for example, their British equivalents. And, according to much academic research, Japan is the market where a systematic programme of stock selection most clearly delivers outperformance. So what's not to like?

Jonathan Allum
Former Japan Strategist at SMBC Nikko
Amersham, Buckinghamshire, UK

Final frontier tourism plunges to new lows

A leisurely read of last weekend's HTSI was ruined when I came to Amanda Wakeley's polar plunge article (May 18). How can she consider herself an "ecologically conscious" skier? No amount of wealth should allow a hedonistic minority to infiltrate and pollute these near-pristine environments. Amanda states in her article that "more people have summited Everest than have ski-mountaineered on Antarctica". Perish the thought that the rise in final frontier tourism reverses this statistic.

James Bamber
Devon, UK

'Ecologically conscious' skiers are exploring regions such as Antarctica

Toyota should change gear on its hydrogen strategy

You quote (The Big Read, May 20) the head of wholesale banking at Nomura stating that Japan is "the obvious place where international investors, if they want to have exposure to Asia, will invest over the next five to 10 years".

The recent revival of investment activity in Japan and growth in the economy should be welcomed. However, as your correspondent Leo Lewis asks, "the question, as always, is how long the phenomenon will last".

After showing the world a lead over a decade ago with Toyota's hybrid Prius and then Nissan's Leaf, the first sensible battery electric vehicle, Japanese manufactures are literally frozen in the "ice" age — or the age of the internal combustion engine.

Today Tesla and the Chinese brands dominate mass production of EVs as Toyota's management procrastinates and still thinks there is a future for hydrogen. With so much of the economy still based on the car industry, the future for Japan is not bright.

Roy Webb
Canterbury, Kent, UK

Manufacturers' needs are overlooked by Tories

The Conservative industrial strategy ("UK government unveils long-awaited £1bn semiconductor strategy", FT.com, May 19) seems to be spend money on development but not on manufacturing as it announces a £1bn investment in semiconductors. UK plc needs to manufacture now more than ever and I am at loss why this government remains tin-eared to manufacturing, manufacturers' concerns and the UK manufacturing supply chain security.

Colin Rodden
Olney, Buckinghamshire, UK

There are ways and means to restore communities

In "Geek chic" (Books, Life & Arts, May 20) — a review of Michael Bond's book *Fans: A Journey into the Psychology of Belonging* and Rory Smith's *Expected Goals: The Story of How Data Conquered Football and Changed the Game Forever* — Stephen Bush says the big challenge is "to ask what it means to be a society or a country where people with the freedom to choose will spend more time in communities based around relatively narrow interests". Thanks to social media feeds and Covid isolation, we are there — addicted, fractured, polarised and psychologically fragile.

I wonder, however, what we, as people, can do to combat social isolation, to foster engagement, and to rebuild community?

Christina Wadsworth
Weybridge, VT, US

Native dishes are thrown into a global melting pot

Your reporter writes that Kate Moss ("My top table", HTSI, May 13) goes to a Japanese restaurant in north London for "a little slice of Tokyo". I have been sampling slices of Japanese cities for 40 years, but have yet to encounter a meal that rolls fatty tuna, yakitori and dorayaki into one. Japanese cuisine has truly gone global! On the other hand, when I order sweetcorn, tuna and mayonnaise pizza in Japan, I do not fancy being transported to Naples or New York. Rather, my mind's eye conjures up a factory where foreign students are making the dough or a kitchen where they are busy microwaving pizzas to order. That, too, is global Japanese food — and a slice of Japan to boot.

Timothy Y Tsu
Kobe, Japan

Buffett's mentor gave credit to investor attitudes

In Phillip Coggan's enjoyable piece "Investing in uncertain times — a difficult balancing act" (FT Money, May 13) he states that Warren Buffett's mentor Benjamin Graham suggested a 50/50 split between equity and bonds.

In actual fact, in his book, *The Intelligent Investor*, what Graham actually prescribes is to stay within the range of a 25/75 and 75/25 split.

The 50/50 apportionment that Coggan alludes to refers to the division that Graham suggests for the sake of simplicity rather than for best possible results. Graham concludes that the optimum distribution between equity and bonds will rest on the investors' own temperament and attitude and the enterprising investor will be best served with a flexible split depending on where the best value lies.

David Coombs
Corby, Northamptonshire, UK

Why blame the consumer for Big Oil's creations?

I disagreed with the letter from Ole K Reed in response to Farhana Yamin's piece on Extinction Rebellion ("Here's sticking it to XR", Letters, April 28). Yes, oil companies pump oil because there's a demand for it, but that demand exists because, having discovered the many uses it could be put to, a market was created and has been sustained ever since by the entities that benefit from it — ie the oil companies.

We all live in the same world, with the same resources and constraints, but at least some people are asking for it to be different. It's also interesting that culpability is shifted depending on the context. So in the so-called war on drugs, the drug cartels (ie the supplier) are seen as the villain, whereas for Reed it seems to be the consumer's fault that we're poisoning the Earth and ourselves with it, rather than the corporations who have the power and ability to change to sustainable energy sources but refuse to do so.

Cease production and demand will cease too — you can't buy something if it isn't available!

Peter Jennett
London NW11, UK

Monarchies were equally to blame for social chaos

I will read Christopher Clark's *Revolutionary Spring: Fighting for a New World 1848-1849* despite the ill-founded analogies to the present day in Munro Price's review (Life & Arts, April 29).

The resemblance of the collapsing monarchies in 1848-49 to the Arab Spring of 2011-12 is only superficial, and there is no evidence that the latter will have a profound long-term influence in a region where some countries, notably Iraq and Libya, are still struggling to cope with the after-effects of western invasions in this century while Syria and Yemen are wracked by civil wars and Lebanon struggles with the consequences of deep-rooted corruption.

Also, it is a tad unfair to take a pop at the destructive effects of nationalism when what Clark calls the dreadful conditions in which great swaths of people lived in continental Europe were a product not of nationalism but of the rule by conservative monarchies that produced the revolution he describes.

John Webster
London SW1, UK

Clarification

• The images accompanying the article about San Francisco in last Saturday's FT Weekend were digital creations by the artist Justin Metz

Opinion

America must grasp the opportunity to stabilise relations with China

Evan Medeiros

A new phase in US-China strategic competition may be opening up. After months of acrimony and stasis, contact between the two countries is finally resuming. The challenge for Washington and Beijing is to capitalise on this moment to produce an enduring basis for stable relations. The future of global stability and prosperity depends on it.

This week, China's new US ambassador arrived after a long vacancy. China's commerce minister also travelled to Washington, the first senior official to visit since 2020. Most importantly, this month US national security adviser Jake Sullivan met China's top diplomat, Wang Yi, jump-starting dialogue frozen since the spring. This may become the most important bilateral channel for discussions.

More high-level interactions are coming. Several US cabinet officials are likely to travel to Beijing, probably culminating in a visit by Xi Jinping to San Francisco for the 31st Asia-Pacific Economic Cooperation leaders' summit.

All this has created a window of opportunity to put the relationship on a more stable trajectory, or at least one less prone to accident, miscalculation or crisis. The opening is small and fragile but, done well, it could produce a relationship that is more predictable, resilient and productive. Both sides are signalling they want more stability — or at least less volatility and friction. But each wants this for different reasons, and it remains uncertain whether these views can be reconciled.

Washington wants dialogue and risk reduction, amid further policies of competition and pushback. By contrast, China wants to reduce the constant strategic pressure it faces from the US and its allies, while continuing to bend global rules and norms in its favour. The next few months will be a process of finding — or not finding — a new normal, a strategic equilibrium of sorts.

It comes at a critical time. This is Biden's last chance before 2024 election dynamics consume Washington. The US and its allies are in the opening stages of a new type of strategic competition, one with little precedent in modern international affairs. This is geopolitical *terra incognita* for everyone.

So, how should policymakers best use the opportunity? First, US leaders and their counterparts in Europe and Asia need to proceed with a clear understanding of the moment. Xi's China is capable, ambitious and confident, but also frustrated and insecure. Xi now believes China is locked in a long-term geopolitical and ideological competition with the "global west", which he sees as a prime threat to domestic and external security. His views are hardening, reflected in his rare public statement in March that "western countries led by the US have implemented all-round containment, encirclement and suppression against us".

Thus, Washington and Beijing are constantly testing each other's boundaries, as their competition militarises, globalises and nuclear weapons move to the fore. Xi's tolerance for risk and friction is growing. And the relationship possesses few of the mechanisms to manage such complexity.

> Xi's government is capable, ambitious and confident, but also frustrated and insecure

This new phase is not detente, far from it. Rather, it is reconnection. Both sides need to rebuild basic channels of communication. Washington and its partners need to work out how to talk to Xi's new cohort of technocrats, securocrats and ideologues. This is fraught with risks. As dialogue resumes, a focus on improving the relationship could become an end in itself — as opposed to the means to advance US interests. This is a dynamic Beijing skilfully uses to play for time and advantage.

Second, Washington needs to have a game plan for the entire set of interactions, culminating in Xi's possible visit. Washington and Beijing should try to agree on an infrastructure for sustained dialogue, set a modest agenda focused on the most consequential issues, and attempt to solve some small problems. They could start with increasing direct flights and resolving exit bans; more substantial challenges include Chinese policies towards North Korea and Iran, and Beijing's contributions to humanitarian relief in Ukraine.

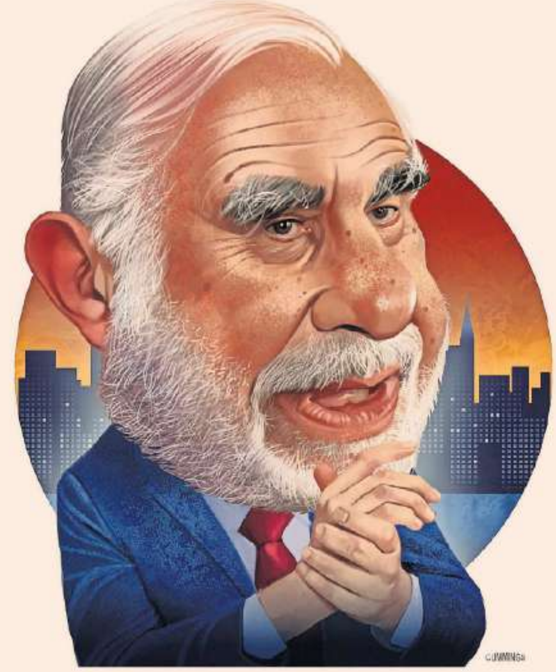
Third, Washington needs to proceed with clear objectives. These should include reducing Chinese misperception of US intentions, clarifying US policy (especially about Taiwan), stabilising the most volatile types of competition and eliciting co-operation on common problems. The US then needs to measure success or failure, and adjust policy accordingly.

Sustained conversations about Ukraine, North Korea, Iran, global macroeconomic and financial stability, especially emerging market debt, are long overdue. An American openness to a constructive Chinese role on all these issues is well worth exploring.

Fourth, both sides need to be pragmatic and have modest ambitions. Relitigating Nancy Pelosi's visit to Taiwan and the balloon incident will just incite recriminations.

The US-Soviet cold war is a tempting but inadequate reference point to understand the nature of US-China ties today. But even the cold war had its phases and moments of change, notably the Cuban missile crisis. For US-China relations, just such a moment may be at hand. It would be a tragedy to squander it, lest we repeat such a dangerous past.

The writer is a professor at Georgetown University and served on the US National Security Council staff from 2009-2015



Person in the News | Carl Icahn

A star corporate raider brought down to earth

Veteran investor has seen his ever-larger bets against a fast-rising market turn sour, writes *Antoine Gara*

Decades ago, Carl Icahn gained a formative insight from reading the American novelist Theodore Dreiser. The billionaire investor was absorbed by two of Dreiser's novels, *The Financier* and *The Titan*, which chronicle the rise of industrialist Frank Cowperwood.

In a decisive financial stand-off, Cowperwood's adversaries plot to have a bank call in his large personal debts. But unbeknown to them, Cowperwood holds a large reserve of assets that "could be drawn on and hypothecated". Were it to be deployed, Dreiser writes, "these men should see at last how powerful he was and how secure". Cowperwood prevails and Icahn says he learnt an essential lesson: always have a "war chest" of cash.

The 87-year-old is famed for his decades spent orchestrating shareholder fights with companies including Texaco, Trans World Airlines, Apple and McDonald's. These battles have reshaped US financial markets by changing how corporations are run, steering their management towards the interests of large stockholders like Icahn.

For nearly half a century, the mere mention of his name has struck terror in the hearts of corporate chieftains and moved markets. But much of Icahn's power emanated from an obscure, thinly traded public vehicle called Icahn Enterprises that has largely gone unexamined.

This month, Icahn was besieged by a sceptic named Nathan Anderson who, in a report published by his firm Hindenburg Research, uncovered heavy debts the investor had taken against his Icahn Enterprises shares. The revelation has exposed a surprising vulnerability in one of the world's wealthiest financiers. Icahn has vowed to "fight back", but his plans to secure his empire remain mostly a mystery.

In recent years, Icahn made ever-larger bets against a fast-rising market to protect his investments from a future crash. Instead of building an emergency reserve, the trades have led to nearly \$9bn in losses. When confronted with those losses last week, a circumspect Icahn admitted: "Maybe I made the mistake of not adhering to my own advice in recent years."

The predicament has shocked many senior figures on Wall Street. "It's one of those moments in a crisis where you go, 'Holy shit, everything I thought about somebody was wrong,'" said the head of a large financial firm.

Bill Ackman, a billionaire investor whom Icahn tussled with in a legendary fight over the fate of a multilevel marketing company, offered the most brutal assessment. "Icahn's favourite Wall Street saying [is]: 'If you want a friend, get a dog.'" Ackman wrote on Twitter. "Over his storied career, Icahn has made many enemies. I don't know that he has any real friends. He could use one here."

Born to schoolteachers in 1936, Icahn was raised in the working-class New York neighbourhood of Far Rockaway, Queens. After graduating from a local public high school, he earned a philosophy degree from Princeton University and supported himself using poker winnings.

He briefly enrolled in medical school, but dropped out and joined the army before settling down as a stockbroker. In the late 1960s, a wealthy uncle bankrolled Icahn's purchase of a seat on the New York Stock Exchange, where he became a specialist in "risk arbitrage", bets on anticipated corporate mergers.

Icahn entered public consciousness in the 1980s when he won control of Trans World Airlines using financing from junk bond king Michael Milken. He ruthlessly sold TWA assets for cash, and battled unions, earning a reputation as a "corporate raider". The episode helped inspire the character Gordon Gekko in the film *Wall Street*.

In recent years, Icahn, who divorced his first wife and married his assistant, Gail, has moved his firm from a skyscraper overlooking Manhattan's Central Park to Miami. He has also worked more closely with his adult children, Brett and Michelle.

Brett helped identify successful bets on Apple and Netflix and has been named his father's eventual successor. Michelle's work at the Humane Society inspired Icahn to run an unsuccessful campaign against McDonald's over its treatment of livestock.

> Merely mentioning his name struck terror in the hearts of company chieftains

The attack on Icahn comes as he continues to battle companies he deems poorly managed. On Thursday, he achieved a draw in a war against Illumina, a company that makes machines to sequence the human genome. Icahn accused Illumina's management of striking reckless acquisitions and asked its stockholders to give his nominees three board seats. He was able to oust Illumina's chair, but failed to win the two other seats, which would have helped him dethrone its chief executive. The result underscores his enduring influence. But he is in uncharted territory.

This week, Icahn Enterprises plunged by more than 30 per cent, adding to a drubbing that has cut the company's value by more than half. It has cost Icahn billions and made the threat of a "margin call" from his lenders more immediate.

Whether he can prevail may well come down to the lesson he says he learnt from Dreiser's Cowperwood decades ago. Icahn told the Financial Times last week he had billions sitting outside his public vehicle. If so, the "war chest" would give him one more hand to play.

antoine.gara@ft.com
Additional reporting by James Fontanella-Khan

The price of flying will keep rising, even on Ryanair

John Gapper
All Consuming

The emptiest aircraft on which I ever flew was an All Nippon Airways flight from Tokyo to London in June 2020, amid the pandemic. It was a Boeing 777-300 with about 250 passenger seats, of which four were filled: in airline lingo, it had a load factor of less than two per cent.

We crossed continents like a ghost flight, the attendants devotedly sticking to their usual in-flight routines and walking by the empty rows of seats to confirm that nothing was amiss. Flight ANA-211 was a fragile link between Japan and the UK in the days when many passenger flights stopped: I booked at the last minute and the tickets were memorably cheap.

Flights are now much fuller, and fares higher. When I returned to Japan earlier this year, direct fares had doubled in price and I connected in Hong Kong to economise. The same is true of short-haul flights as people book up eagerly for summer holidays: Ryanair, now Europe's biggest airline, this week reported strong bookings, and easyJet has done the same.

With stronger demand and higher jet fuel costs have come stiffer prices. Ryanair carried 16mn passengers in April — more than the same month in 2019 — and its aircraft were 94 per cent full. Its fares have risen by 10 per cent on pre-Covid levels and the carrier's famous €9.99 fares (before paying for bags and better seats) are a fading memory.

Airlines are notoriously cyclical and prone to losing money: the industry collectively lost \$138bn in the annus horribilis of 2020, when I took the ghost flight to London. Even in good times, margins are tight. Prices have fallen in real terms for decades because they keep on buying new aircraft (Ryanair has ordered up to 300 737-Max 10s from Boeing) and trying to fill them.

Despite this, I believe the industry's warnings that we will have to pay more to fly. "We are in an entirely different world where air fares are rising," one executive told the FT this week. Michael O'Leary, Ryanair's chief executive, may keep squeezing rivals with his motto that "lowest cost wins" but it will not feel like that for the customer.

With restrictions lifted, people want to fly again: "Short-haul flying has roared back to life because of pent-up demand," says Frankie O'Connell, reader in air transport at the University of Surrey. They must contend with fewer, stronger carriers: Ryanair's flights were about 80 per cent full a decade ago, but seats are now scarcer.

Not only can such airlines charge more; they will soon have to. The industry faces a vast technological challenge in meeting its self-imposed target of reaching net zero carbon emissions by 2050. It is impossible to do so on the current flight path, given that aviation accounts for about 2.5 per cent of global emissions, and moving to another one will be extremely expensive.

Ryanair exemplifies the traditional approach: keep on growing but try to curb the environmental impact by replacing old aircraft with modern twin-engined jets that burn less fuel. It promised this week that people switching to its flights from other airlines could cut their emissions by up to 50 per cent because of what it dubs its "game-changer" fleet of newer 737s.

Well, up to a point. It is true that such aircraft help by reducing emissions per passenger, but it is slow going. The last of Ryanair's new Boeings is due to be delivered in 2033, only 17 years before the net zero target, and efficiency can only partly mitigate growth. Some 10bn passenger journeys are expected in 2050, five times the volume of 2021.

There is little chance of turning to electric or hydrogen-powered aviation soon: Airbus intends to fly a zero-emissions hydrogen plane by 2035 but it would take €300bn of investment to build the infrastructure in Europe alone, one study found this week. Even then, taxes on jet fuel would be needed to make hydrogen flight competitive.

The best medium-term bet is sustainable aviation fuel, made from waste oils, fats and non-food crops. The industry is counting on SAF for two-thirds of the contribution to achieving its net zero target. But it will be hard and costly to produce enough: Dave Calhoun, Boeing chief executive, warns that biofuels will "never achieve the price of jet fuel".

> Travellers have not borne the full environmental cost, despite carbon offsets, so something has to give

There is an iron logic to all this: flying is going to be expensive. I regret it, in many ways. Aviation is marvellous for taking holidays in interesting places and exploring the world, despite crowded airports and cramped seats. But flyers have not borne the full environmental price, even with carbon offsets, so something has to give.

Prices can be powerful, as the growth in flying encouraged by low cost carriers shows. The French government has decreed a ban on domestic flights of less than two and half hours between cities well connected by trains. France is an outlier but higher fares could have a similar impact elsewhere in squeezing short-haul flight, where there is a decent alternative.

For my part, I am going to Amsterdam next week by train. The Dutch government has been blocked by a court from curbing flights to Schiphol airport, and it would have been cheaper to fly. One day, it may not be.

john.gapper@ft.com

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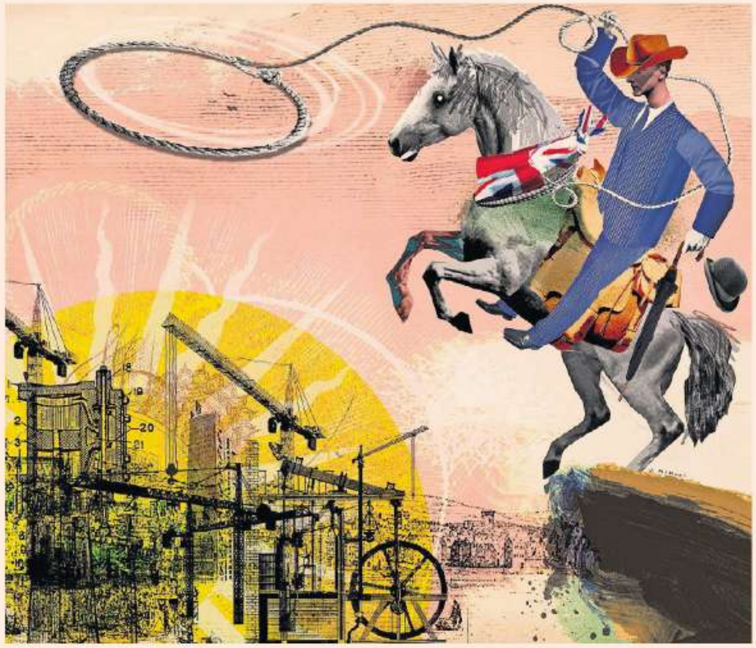
Opinion

A bureaucratic tangle has replaced the UK's industrial policy

Helping with regulation, intellectual property and infrastructure is the least the government can do

POLITICS
Camilla Cavendish



How will we keep our footing in the new gold rush? As investors and manufacturers saddle up and ride out for America, the EU is scrapping over how best to respond to President Joe Biden's Inflation Reduction and Chips acts. But the UK seems marooned, with ministers shuddering at any mention of "industrial policy".

You don't have to have read Friedrich Hayek's *The Road to Serfdom* to feel a little nervous about the idea that every nation should have a gun-slinging set of protectionist business incentives. Nevertheless, it's surreal to have watched UK ministers talking up Britain's prowess in life sciences and green energy while we slip down the rankings for clinical trials. AstraZeneca is building its new factory in Ireland, carmakers warn Brexit has undermined electric vehicle production and the solar firm Oxford PV says the UK is the "least attractive" place to site a factory.

When the shadow chancellor Rachel Reeves set out a contrasting vision in Washington this week, of an active state working in partnership with the free market, I was amazed she was so restrained. It's hard to beat America in the subsidy race.

> Without what we used to call joined-up thinking, we are in danger of wasting money on failed bets

But government should at least be clear about its ambitions and help with regulation, intellectual property and infrastructure. The Conservatives' furtive approach to industrial policy has just sown confusion.

Britain is still haunted by the experience of the 1960s and 1970s, which convinced many Treasury officials and politicians that the best industrial policy is no industrial policy at all. Governments which tried to pick winners ended up backing losers: like the elegant but hopelessly expensive Concorde, of which only 20 were ever made, and the ugly Morris Marina, a car which rusted even in summer.

Thatcher, Major and Blair largely steered clear of interventionism. It was only during the 2008 financial crisis that Labour developed an "industrial activism", looking strategically at what might be done to help each sector of the economy. That approach continued through the coalition, which backed economic "clusters" like the Northern Powerhouse, and into the May government, which championed an official industrial policy. Memorably described by then Tory backbencher Kwasi Kwarteng as a "pudding without a theme", it was too sweeping. But by scrapping it as business secretary, Kwarteng lost the Industrial Strategy Council, which could have audited what worked, and the Industrial Strategy Challenge Fund, which meant key budgets seeped out into the bureaucratic soup.

The system certainly wasn't perfect — the Covid vaccine was only scaled up fast enough because the Vaccine Taskforce was created outside the official machinery. Still, as one senior executive in the creative industries told me: "It's bad enough that there's a flip-flop every time there's a change of party. But a flip-flop when it was the same party was truly distressing."

Businesses prize certainty. But the UK has had terribly haphazard policymaking. In 2015, one Tory government privatised the Green Investment Bank; six years later, another Tory government set up a UK Infrastructure Bank to do the same thing.

When Dominic Cummings created Aria, the advanced research agency, it sounded like an echo of Qinetiq, which had been privatised by Labour nearly 20 years earlier.

If we can't learn and adapt, but keep acting on whims, we are far more likely to fall into exactly the trap feared by those on the right: of naive statism. According to the economist Diane Coyle, many other democracies are much better at evaluating the efficacy of their industrial policies.

"Hopeless", "slow" and "confused" are some of the words used to describe the current state of UK government machinery by businesses and experts I've spoken to — and that's from those who want to stay here. Outsiders are confronted with a labyrinthine set of institutions and initiatives. Critics say that planning permissions and R&D funding allocations take too long and that the UKRI, the primary funder of research and innovation, is "ponderous" and "bureaucratic".

The residual machismo of Brexit doesn't help. Rishi Sunak's premiership has restored a sense of pragmatism and Tory ideologues have been talked down from an insane, wholesale scrapping of every EU law. Yet exporters remain nervous that ministers may decide to deviate from some EU rules just because they can. Divergence would double the workload of businesses, as well the ludicrous attempt to replace the EU's long-established 'CE' safety mark on industrial and electrical goods with a rival mark called UKCA — another political indulgence.

It is nonsense for this government to pretend it doesn't have an industrial policy: it has just offered Tata Motors £500mn to build an electric vehicle battery plant in the UK rather than Spain, and allocated extra money to the life sciences. Chancellor Jeremy Hunt has set out five growth areas for the economy. But he shouldn't have to champion them in a whisper. Without something we used to call joined-up thinking, we are in danger of wasting money on failed bets. EVs won't take off without a system of universal charging points. And big pharma won't run more clinical trials unless they can use patient data.

Every gold rush has its cowboys. At the beginning of this new industrial revolution in genetics, green tech and AI, no one can see very far ahead. But we need agility, not ideology.

camilla.cavendish@ft.com

Inflation is hitting the most vulnerable families hardest

Helen Barnard

If you were to imagine a cost of living crisis that inflicts maximum damage on those least able to bear it, it would look very much like the current economic situation in the UK.

Why? First, because today's crisis has been driven primarily by sharp rises in food and energy prices, costs that account for a far larger proportion of the budgets of people on low incomes than those who are better off. Recently, the Office for National Statistics found that inflation for low-income households was 10.1 per cent, while for high-income households it was only 8.7 per cent.

The real-life impacts of this imbalance are especially devastating because prices have risen most in the areas of expenditure where cutting back causes real hardship — people cannot afford to eat, they sit in the cold and dark and are scared to turn on the washing machine or oven. The latest inflation figures from this week showed that food inflation remains high, even as other cost pressures start to ease. There are particularly eye-watering rises in the cost of staples, which are the building blocks of affordable meals — milk is up by 33 per cent, potatoes and bread by 28 per cent, eggs by 37 per cent.

In the Trussell Trust's research with people on universal credit, one parent described their daily struggles to keep her family fed and clean. They told the charity: "The children are fed but my husband and I rarely are. I've not paid my water bill but by the end of the month I'm going to have to stop paying another bill as food prices are rising fast." The family would worry about gas and electricity, which were on key meters, running out: "Then that's it until Monday, even with no lights on and tech kept to a minimum. I'm handwashing everything outside in buckets to save money."

The damage this current crisis is inflicting is exacerbated because it comes hot on the heels of disproportionate impacts of the pandemic on people who were already struggling. Workers in poverty bore the brunt of Covid-related job losses and falls in income. During the pandemic, people on high incomes tended to maintain their salaries and even build up savings, while people on low incomes were forced to take on more debt to cover costs that rose as their incomes fell.

The vulnerability of these individuals to first the pandemic and then the cost of living crisis was even greater because of the longer-term trend of rising levels of deep poverty. Research by the Joseph Rowntree Foundation found that between 2017 and 2019, destitution in the UK rose by 54 per cent.

> This is not a sudden emergency: it's the latest chapter in a longer-term crisis of rising poverty

Amid all of this, support is being stretched beyond breaking point. Last August, NHS bosses wrote to the chancellor warning that the cost of living crisis was about to become an NHS crisis, because of the impact of poverty on people's health. This additional pressure on an already strained health service is likely to have grown even further over the past year.

One shocking culmination of all this was the revelation that food banks in the Trussell Trust network had provided almost 3mn parcels in the past year, with a million of these for children. This was a 37 per cent increase on the number of emergency parcels distributed the previous year — reflecting a record level of need seen in every part of the UK. But our figures (backed up by other research into deep poverty and hardship) show that this is not a sudden emergency: it's the latest chapter in a longer-term crisis, with need more than doubling over the past five years.

Volunteers and staff at food banks have risen to every challenge and met every wave of need. They will keep doing that, but they are tired. Many are weary to the bone. One food bank leader described it as a "pressure-cooker situation". Another, reflecting on the "peaks and troughs of demand" in the monthly data, said of this year: "Sadly, we've reached a new level that we never wanted to reach."

Every day it becomes clearer to all of us that food banks and charitable support are not the solution. Food inflation is predicted to fall, after reductions in the cost of inputs such as energy and commodities, but that will not end this crisis. Millions of people will still find themselves unable to afford essentials, trapped in appalling situations, until we deliver real, sustainable solutions, starting with reforming universal credit.

It seems incredible that the level of this benefit isn't set with reference to the actual essentials of life, but that's the situation. The result is that the current rate has fallen significantly below the costs of food, clothing and basic household items such as cleaning products. We have calculated a single adult needs £120 a week to cover these expenses, but universal credit provides only £85.

Charities simply can't address the root causes of this unacceptable hardship on their own — we will never be able to do enough to turn back the tide of hunger.

The writer is director of policy, research and impact at the Trussell Trust, a charity that supports food banks and campaigns to end the need for them across the UK

'Chequered' record of grace-and-favour houses

SOCIETY
Miranda Green

A wayward sister. Dusty bottles of wine purloined from the cellar to slake the thirst of amorous guests. A prime minister addressing a global crisis while raiding the fridge for snacks in the middle of the night.

No, these are not vignettes of life at Chequers from Boris Johnson's lockdown diaries — reports this week revealed that police were poring over them during yet another investigation into whether activities at the official prime ministers' country residence breached restrictions. They feature, instead, in *The Diplomat*, a Netflix drama that has given viewers an extraordinary view of one of the grace-and-favour houses provided to the most senior members of the British government.

With scenes shot at Chevening, the Georgian mansion reserved for cabinet ministers' use, the antics of the cast include a naked clinch in the lake as well as woodland walks. Much of the show can't be taken for diplomatic reality, as the current foreign secretary, James Cleverly, pointed out in a "fact checker" video. A whisky-and-wood-panelling-fuelled flirtation between his onscreen equivalent and the American ambassador, for example, may take the interpretation of "soft power" a bit too far.

Combined with the latest Chequers probe, however, the show has fuelled interest into what precisely goes on in these grand buildings.

Historian Sir Anthony Seldon deplores "too little nous" by politicians in how they exploit these residences for diplomacy. The statesmen of previous eras had their own country houses, he points out; but since David Lloyd George benefited from the bequest of Chequers to the nation in 1917, modern prime ministers have mostly been "a different breed". They still need a spacious place for "convening" he argues, because the "poky town house" in Downing Street compares badly to the Elysée, the White House or Germany's Chancellery.

> Problems occur when we let the clowns or the grifters anywhere near the gates

The problem occurs when ministers' use of such properties comes with "a sense of entitlement, not a sense of their purpose". In other words, we shouldn't let the clowns or the grifters anywhere near the gates. This has sometimes proved tricky.

Think of the blurry, long-distance photographs of then deputy prime minister John Prescott at Dorneywood, playing croquet when he was supposed to be in charge while Tony Blair was in Washington. Not much of the "decorum" Seldon calls for was on show. Nor perhaps when then chancellor George Osborne tussled with Nick Clegg over the use of Dorneywood — the deputy premier ended up sharing Chevening's 115 rooms with William Hague.

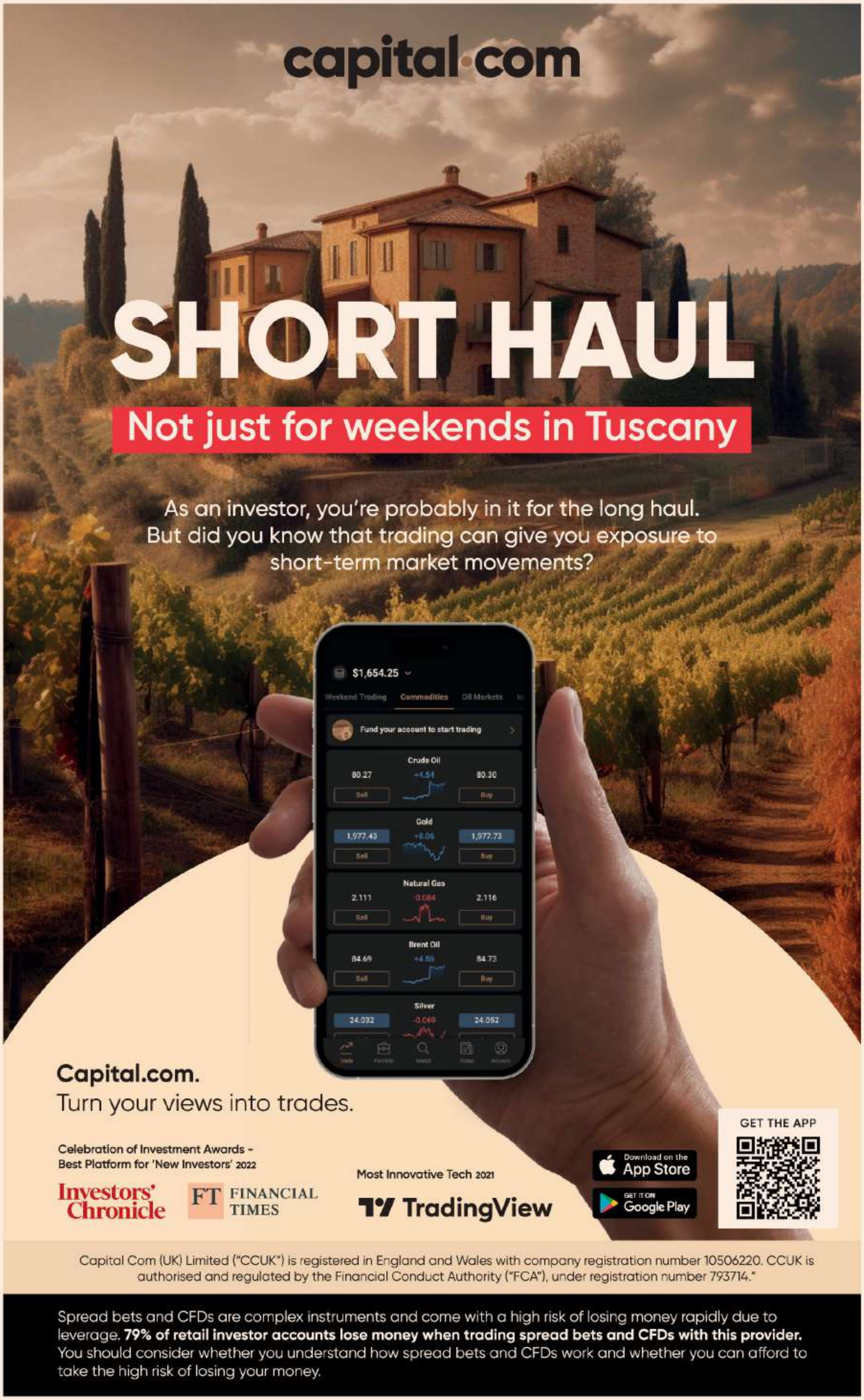
Theresa May made Chequers synonymous with her doomed Brexit compromise of July 2018 — but the all-day cabinet meeting to rubber stamp it had terrible visitor reviews. Phones were confiscated and dissenters threatened with minicabs home.

Then came the Johnson era with its plan for a £150,000 bulletproof toddler's treehouse (never built) and a wedding reception (moved to another location when he resigned).

Some may feel the entire set up has had its day — after all, country house living today is mainly the preserve of cosplaying oligarchs or entertainment luminaries (What ho! Madonna in tweed). But we don't want those people anywhere near power. And it's probably smart to show off the nation's assets, even if those of us without our own grace-and-favour home might resent it.

Seldon has a point — these houses were donated to the nation to improve the effectiveness of our governments. Rishi Sunak, recently welcoming the Ukrainian president to Chequers and hosting a photocall in a room used for Winston Churchill's wartime addresses, seems to get the idea. "Convening" has value. And it certainly shouldn't be left to Netflix location scouts.

miranda.green@ft.com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Companies & Markets

FINANCIAL TIMES

Perfect timing How Nvidia created the chip powering the generative AI boom — MARKETS, PAGE 18

Hot demand Record heatwaves drive second wind for air-conditioning makers — LEX, PAGE 20

Glencore faces shareholder revolt over climate strategy

• Miner's plans opposed by 30% at AGM • Investors scrutinise thermal coal business

Undermined: Glencore's coal business generated 53 per cent of earnings last year but shareholders have expressed concern over its environmental impact

LESLIE HOOK

Glencore has faced pushback from shareholders over its climate plans at its annual meeting, in a sign of rising concerns over environmental strategy at the business.

Some 30 per cent of shareholders voted against the company's 2022 Climate Report, a drop in support compared with last year and a show of dissent that will force the London-listed company into a mandatory consultation process under UK law.

A separate resolution asking for more disclosure of the company's coal plans gained 29 per cent of the vote, failing to pass but being enough to force a consultation.

"This is a clear signal by shareholders that further disclosure around the company's thermal coal business is imperative," said Dror Elkayam, analyst at Legal & General, which supported the resolution.

That resolution — which calls for Glencore to explain how its coal plans are compatible with its climate targets — was supported by institutional investors including LGIM, HSBC Asset Management and Scottish Widows, and recommended by proxy advisers Glass Lewis and Institutional Shareholder Services.

Switzerland-based Glencore is the most profitable coal mining company and the biggest producer of thermal coal, which is used to produce energy and heat, outside China and India.

While the coal division has been profitable — generating 53 per cent of earnings last year due to high coal prices — it has come under scrutiny from shareholders concerned about Glencore's climate record.

"We will continue to engage with shareholders so as to ensure their views are fully understood and to better understand the reasons behind these results," Glencore said.

During the shareholder meeting held in Zug, Switzerland, chair Kalidas Madhavpeddi faced repeated questions about Glencore's environmental record, labour relations and impact on local communities, particularly in Colombia, where it operates two large coal mines.

The meeting lacked the high-profile environmental protests of some other annual meetings this week. Two activists tried to storm the stage where the Shell board was sitting at the energy group's AGM in London on Tuesday as the first hour of the meeting was repeatedly disrupted by protests. Twenty per cent of shareholders went on to vote against Shell's transition strategy.

> 'Further disclosure around the company's thermal coal business is imperative'
> Dror Elkayam, L&G

Yesterday in Paris, dozens of climate activists attempted to block the entrance to TotalEnergies' annual meeting before being dispersed by police. More than 30 per cent of TotalEnergies shareholders urged the French oil and gas company to speed up efforts to switch to cleaner energy at the meeting.

Discontent among Glencore shareholders was less disruptive, but clear. Shareholder Richard Sully told the meeting that he was "horrified by the inadequacy of the answers given" by Glencore's management at the AGM, and raised questions about the company's mining operations in Colombia and Peru.

The vote results showed growing shareholder concern about Glencore's climate plans. Last year 24 per cent rejected Glencore's climate transition plan; this year it was 30 per cent.

The company is also due to consult shareholders this year about its next climate plan, which is updated on a three-year cycle. Its current climate targets include cutting its emissions (both direct and indirect) 15 per cent by 2026 and 50 per cent by 2035.

In his opening remarks, Madhavpeddi emphasised Glencore's financial performance, pointing out that last year was the company's strongest set of results since its initial public offering.

Oslo fund puts heat on Exxon page 17

EY US rejigs leadership after scrapped spin-off

STEPHEN FOLEY — NEW YORK
MICHAEL O'DWYER — LONDON

EY's US chair Julie Boland has reshuffled the firm's leadership, elevating loyalists after winning a power struggle with the Big Four accounting firm's global bosses that scuppered a plan to spin off its consulting arm.

The personnel changes come alongside a wider rethink of governance at the US business, the largest of EY's member firms and responsible for about 40 per cent of the group's $50bn of revenue, after its partners reacted with anger to the collapse of the spin-off.

Codenamed Project Everest, the plan would have handed cash or equity windfalls to EY's 13,000 global partners via a flotation of the consulting arm. But Boland called it off last month after almost a year of work and shortly before it was expected to be put to a partner vote, having failed to overcome doubts on the US executive committee.

The debacle has raised questions over the leadership of both Boland and Carmine Di Sibio, EY's global chair, who had been the architect of Everest and had pushed for a partner vote to go ahead. The actions of the US firm also angered EY's other member firms, particularly in Europe, where support for Everest was stronger.

Under the revamp of the US firm's leadership, John King, the head of EY's US audit business and one of the major opponents of the spin-off, will be leaving the US executive committee, Boland told partners earlier this week. He will instead be a "strategic adviser" to the leadership, according to an internal memo seen by the Financial Times.

Boland has appointed Marcelo Bartholo, who heads EY's eastern region in the US, to be her deputy, and gave King's job to Dante D'Egidio, chief of the audit business in the same region.

Jay Persaud, vice-chair for risk management who has backed Project Everest, will leave the committee. The reshuffle goes into effect on July 1.

Julie Boland: chair has rewarded loyalists following her successful struggle over plans to split the firm

Many US partners are angry at being denied a vote on Everest, while others want to hold executives accountable for the disruption caused by the doomed project, whose costs topped $600mn.

Boland has already promised reforms that would separate the management from the governance of the US firm, opening up the possibility of a new body to oversee the executive leadership.

EY's UK business, the firm's second largest after the US, has also begun an overhaul of its executive team following the abandoned break-up plan.

Banks

Lazard taps Orszag for chief in effort to revive fortunes

SUJEET INDAP AND
JAMES FONTANELLA-KHAN — NEW YORK

Investment bank Lazard has appointed Peter Orszag chief executive, entrusting the former adviser to Barack Obama with the job of reviving its fortunes amid a dealmaking decline.

Orszag, who joined Lazard in 2016 and leads its financial advisory business, will take over from Ken Jacobs in October. Jacobs will become executive chair and continue to advise clients.

Orszag came to finance late in his career after working as an economic adviser in the Obama administration, including as director of the Office of Management and Budget.

Orszag takes the top job after Lazard, which has hubs in New York, London and Paris, reported a first-quarter loss and announced plans to cut about 300 jobs, or roughly 10 per cent of its staff.

As well as a dearth of M&A, Lazard has had to contend with increased competition from newer companies such as Centerview Partners, Evercore and PJT Partners, a trio that have enjoyed success since the financial crisis.

Shares in Lazard, which also has an asset management business, are down almost 50 per cent from their 2021 peak.

In a memo to Lazard staff seen by the FT, Orszag said he hoped to combine the investment bank's prestige with a modernised approach to advising clients and managing money.

"We should aim higher: our ambition should be to become the pre-eminent independent, global, go-to destination on all aspects of complex corporate finance, investing and strategic decision-making . . . Success requires us to embrace innovation and risk-taking."

As head of the bank's financial services business, Orszag has been implementing processes in an effort to better deploy resources as well as measure success at a company that historically has given senior bankers wide latitude.

Since joining Lazard after a stint at Citigroup, Orszag has frequently worked with clients in healthcare and life sciences, where he can draw on his academic background and knowledge of social policy.

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Banks

Billionaire wins $926mn Credit Suisse payout

OWEN WALKER

A Singaporean judge has ordered Credit Suisse to pay $926mn to former Georgian prime minister Bidzina Ivanishvili in a final blow to the bank before UBS is expected to complete its takeover as soon as next week.

Ivanishvili, Georgia's richest man, had already won a case against the Swiss bank in Bermuda last year, where he was awarded $607.5mn.

The billionaire's dispute with the bank dates to 2011 when he was a client and a victim of a Credit Suisse private banker who defrauded some of the Swiss lender's most sensitive accounts.

Patrice Lescaudron defrauded some of the bank's clients — including accounts held by Ivanishvili and Russian oligarch Vitaly Malkin — funding a lavish lifestyle of luxury houses, sports cars and Rolex watches.

A damning report by the Swiss regulator Finma that was inadvertently made public two years ago found repeated warning signs, evidence of hundreds of suspicious transactions and four formal disciplinary proceedings had not been acted on by Credit Suisse.

The bank has long maintained that Lescaudron, who was criminally convicted in 2018 and died by suicide in 2020, was a rogue operator who worked tirelessly to hide his illegal activity from superiors and colleagues.

The Swiss criminal case against Lescaudron found the bank to have been a wronged party.

A judge at the Singapore International Commercial Court yesterday ordered Credit Suisse's local subsidiary to pay $926mn, less $79mn that it had already paid. The judge said the sum in the Bermuda case should be recalculated so that there was no double recovery.

> The ex-prime minister of Georgia's dispute dates to 2011 when he was the victim of a fraudster

In a statement, Credit Suisse said it would "vigorously pursue an appeal", adding that the "judgment published today is wrong and poses very significant legal issues". The bank is also appealing the Bermuda judgment.

After taking into account money that has already been returned to Ivanishvili and the award in the Bermuda case, Credit Suisse expects to have to pay $500mn following the Singapore judgment if its appeal fails, according to people familiar with the matter.

A provision the bank had set aside to cover the Singaporean case is below that amount, they added.

Credit Suisse was represented in the case by Lord Charlie Falconer, the former lord chancellor who was a close confidant of former prime minister Tony Blair. Cavinder Bull SC of Drew & Napier was lead counsel for Ivanishvili.

A spokesperson for Ivanishvili said: "We expect Credit Suisse to fully comply with the judgment and finally accept responsibility for its failures."

The dispute with Ivanishvili is one of several legal battles that have hung over Credit Suisse in recent years. UBS has set aside $4bn to cover Credit Suisse's regulatory and litigation matters.

UBS's takeover of its Swiss rival could be completed as early as next week after it received approval from EU antitrust regulators for the deal on Thursday.

Speaking to Swiss newspaper Tages-Anzeiger yesterday, Swiss finance minister Karin Keller-Sutter, who played a pivotal role in the shotgun marriage between the country's two largest banks, appeared to call Credit Suisse directors and executives "arsonists".

Retail

Deal for Shein's India comeback lifts Reliance

CHLOE CORNISH — MUMBAI
ELEANOR OLCOTT — HONG KONG

Reliance Industries is seeking to dominate India's $10bn online domestic fashion market, striking a deal with Shein that will allow the rapidly growing Chinese retailer to return to the most populous nation.

The retail unit of Mukesh Ambani's petrol-to-telecoms conglomerate will tie up with Shein three years after India banned the online retailer's app in its attempt to freeze out Chinese companies in retaliation for border clashes.

"We can confirm Shein's partnership with Reliance Retail and have no additional comment at this time," said Shein, declining to answer questions about the structure of the deal. Reliance did not respond to queries about the partnership, which was first reported by the Wall Street Journal.

The low-priced offering gives India's biggest listed company by market capitalisation a boost in its battle to dominate the country's online fashion retail market, which was worth $10bn in 2022, according to analyst estimates.

As part of the licence agreement, which was recently approved by the government, Shein would receive a percentage of profits from its fast fashion sales in India, people familiar with the deal said, while Reliance would help Shein build a supply chain with India's garment industry for exports.

The move into Indian sourcing comes as Shein diversifies its supply chain outside Guangdong, where it has 8,000 suppliers, mostly in the garment hub of Panyu.

The Chinese fashion group's app had been banned by New Delhi in retaliation for border clashes

Supply chain bottlenecks, rising labour costs in China, and tensions between Beijing and Washington have propelled companies, including Apple and clothing retailer Mango, to migrate parts of supply chains out of the country.

Shein, which does not sell in China, has been seeking to distance itself from its home country. Last year it made its Singapore arm the de facto holding company, expanding its workforce there and shifting some of its operations from its headquarters in Nanjing.

Shein will seek to minimise delivery times by having more manufacturing centres.

India, meanwhile, hopes to benefit from multinationals' "China plus one" movement, a strategy that seeks to avoid investing only in China and aims to diversify supply chains to other countries.

Reliance has signed agreements with luxury brands ranging from Balenciaga to Burberry, and has nearly 15,000 bricks-and-mortar stores across the country selling affordable apparel.

"Reliance's other international brand partnerships are more premium, being luxury or designer brands," said Devangshu Dutta, chief executive of consultant Third Eyesight. "India is still a relatively low per-capita-income economy. The bigger opportunity is in brands which are euphemistically called value brands, and that's where Shein is positioned."

For Shein, access to the Indian market will allow the company to boost sales as the pace of its expansion in Europe and the US begins to lose steam, according to people briefed on its growth figures.

Netflix is taking a necessary risk in tackling freeloaders

The Top Line
Christopher Grimes

When Netflix co-founder Reed Hastings said in 2016 "we love people sharing" accounts, the company had a commanding lead in the streaming business and four years of blistering growth ahead of it. No one had heard of Disney Plus or the streaming wars.

But after the platform lost subscribers early last year, Hastings called time on this breezy attitude towards password sharing, which has given rise to an estimated 100mn Netflix freeloaders around the world.

In recent days, the company has launched password crackdowns in the US, UK and more than 100 other countries. In the US, it has told customers that if they want to share their password, they must pay $7.99 a month to add a person outside their home, or $6.99 if they are prepared to have an account with adverts.

The crackdown plus the new push into advertising reflect the tough realities of the streaming business model that Netflix pioneered. In the boom times, investors were willing to overlook eight- or nine-figure quarterly losses as long as subscription growth was strong. Now, new sign-ups have slowed and competition is intense. In the US, the average household has 5.5 streaming subscriptions, notes Jennifer Chan, global strategic director at research group Kantar.

"Overall household streaming penetration hasn't changed very much since the end of Covid," Chan said. "So the focus for streamers now is on retaining their current customer base and becoming the priority subscription so that consumers aren't cancelling — and if they are, how do you win them back."

Investors want to see a path to profitability, putting serious pressure on most of the top streaming services to cut costs and come up with new strategies to generate cash.

Netflix is profitable, but Disney Plus, Paramount Plus and NBCUniversal's Peacock are still racking up losses. Warner Bros Discovery, which aggressively cut costs after the companies were combined in a $40bn merger last year, told investors it expected to turn a profit in its streaming business a full year ahead of schedule and that this part of the business made $50mn in profit in the most recent quarter.

Warner has been making changes to its streaming service. On Tuesday it combined its HBO Max service — home of *Succession*, *White Lotus* and *Game of Thrones* — with Discovery Plus, which specialises in low-cost programming such as *90-Day Fiancé*. The combined service was renamed Max.

Disney chief executive Bob Iger plans a similar move this year by merging child-friendly Disney Plus and adult-focused Hulu, into one app. Iger said this would boost sales of Disney's with-adverts subscription packages, another step to turning a profit in streaming next year. He must also address investor worries about subscriber growth — the group's streaming services have lost customers for the past two quarters.

> Investors were willing to overlook losses in the boom if subscribers grew. Now, sign-ups have slowed and rivalry is intense

Netflix may face similar problems of retaining customers as it cuts password sharing. In early trials, Netflix said some users dumped the service, with up to 1mn cancellations in Spain alone, according to Kantar. While many return, there is still risk, Chan says. "If people are to cancel their subscription, they will be exposed to life without Netflix" and perhaps switch to other services, she said. "I think people will come back, but they may not regain their whole subscriber base."

christopher.grimes@ft.com

A&O ready to crack lucrative US in tandem with Shearman

Spotlight

Wim Dejonghe
Senior partner, Allen & Overy

A $3.4bn merger between Allen & Overy, led by keen amateur cyclist Wim Dejonghe, and Shearman & Sterling would be one of the biggest the sector has seen if voted through

When troubled New York law firm Shearman & Sterling's merger talks with transatlantic rival Hogan Lovells collapsed in March, Shearman's Adam Hakki knew whom to call.

Days into his role as senior partner last month, Hakki picked up the phone to ring Wim Dejonghe, long-serving leader of Allen & Overy, one of London's magic circle law firms.

In a matter of weeks, the pair were cloistered in a Manhattan office hashing out a $3.4bn merger, which — if voted through — would be one of the biggest the industry has seen.

For Belgium-born Dejonghe — A&O's first foreign senior partner and, before that, managing partner — a tie-up with a Wall Street firm would be the fruition of a two-decade long project to crack the most lucrative legal market, leaving its UK rivals in the dust. For Shearman, it offers a route out of a torrid period of partner exits and difficult restructuring.

Dejonghe said: "I've known Shearman for a long time. [Hakki] got into the role [and] he knew we were interested. The initial conversation was between me and him. After a number of meetings between the two of us, we thought, 'this might work, actually'."

Shearman, a 150-year-old firm that once advised the cream of US business, is the far smaller entity with $907mn in revenues last year and about half of A&O's more than 40 offices. But it has long been on Dejonghe's dance card because of crossovers in banking and finance.

Both firms had learnt from previous failed mergers: in A&O's case, talks with California-headquartered O'Melveny & Myers, which ground to a halt in 2019 after 18 months of negotiation.

"We knew [if] this leaks before we go to our partners, we're dead," said Dejonghe. "So we agreed the only way we could deliver something to [partners] was to sit together in a room for weeks and hammer out all the details."

Shearman declined to comment.

With a small core team — including advisers from Wall Street law firms Simpson Thacher & Bartlett and Davis Polk & Wardwell — Hakki and Dejonghe decamped to investment bank Lazard's offices in Manhattan to pull together what would land on Sunday as a slick announcement, complete with website, client FAQs and videos.

> A tie-up with a Wall Street firm would be the fruition of a two-decade long project

David Morley, Dejonghe's predecessor, credited him for the speed of the Shearman talks, which were executed in weeks. "Very few people could have done this but Wim has had this clear strategic vision for a long time."

Morley, who led the firm alongside then-managing partner Dejonghe for eight years to 2016, said: "Wim didn't wake up yesterday and say, 'it'd be great to do a merger.' . . . the firm has been thinking about and debating it for at least two decades and looking at options, . . . so they were ready to move really quickly when this came up."

Morley and Dejonghe, viewed as a modernising force at A&O, spent years pounding the pavements in New York and on the US west coast after the financial crisis, dining with law firm leaders in powerbroker hotspot Estiatorio Milos in Manhattan.

"Some people would see us," said Morley. "Others were frightened of even being seen in a restaurant with us in case their partners saw us or it got into the press . . . We weren't asking people, 'do you want a merger?' Just building relationships and gaining insight."

It meant Dejonghe had built up a "pretty good Rolodex" of US firms.

A&O has long had offices in the US. But growing there has not been plain sailing. Like its international rivals, A&O has struggled to break into a market dominated by a pack of highly profitable domestic firms with greater firepower to pay star partners.

Wall Street's top firms tend to be tightly focused with only a handful of international offices and a pipeline of lucrative private equity and finance work.

By contrast, A&O and magic circle peers in the UK have sprawling global networks, offering clients a far wider variety of work. That has made them one-stop shops for many businesses but less profitable than US peers.

Partners at Wall Street firms such as Simpson Thacher and Davis Polk took home more than $5mn on average last year, for example, while M&A powerhouse Wachtell Lipton Rosen & Katz partners pocketed more than $7mn. In contrast, A&O's partners took home £1.95mn ($2.4mn) on average last year.

Tony Williams, a consultant who was managing partner at Clifford Chance when it merged with US firm Rogers & Wells in 2000, said: "The magic circle have been challenged in the last decade by the strength of the US economy . . . And Brexit didn't help. Sterling is now at $1.23."

One former high-ranking A&O partner said: "Every magic circle firm has been looking to come into the US market for the last 30 years and a merger has always been the most logical way but it's extremely difficult to do. The top American firms have always been much more profitable, which for them is a proxy for excellence.

"Shearman has had some difficulties over the past few years and suddenly they were available and there's an opportunity for a match."

Vast differences in partner pay made it difficult for UK firms to compete in the US, a problem compounded by the stronger dollar.

As a result, under Dejonghe, A&O has gradually chipped away at its lockstep pay structure where partners are paid according to time served to pay star performers more.

Dejonghe, whom another former partner described as "charismatic and entrepreneurial", is no stranger to overseas mergers, where marrying two different cultures is vital.

The lawyer joined A&O when it tied up with part of Loeff Claeys Verbeke — a Brussels-based firm Dejonghe led as managing partner.

He said the Shearman merger was a "merger of equals" in the same way as that deal. "You can't say to your future colleagues, 'We're acquiring you,'" he said. "That's not the mindset . . . It doesn't work like that."

Becoming managing partner at A&O meant leaving Belgium with its many cycling races. Dejonghe, who cycles to A&O's Spitalfields office, is a veteran of amateur events including the Etape du Tour and the Tour of Flanders.

"I've sat in his slipstream going up and down mountains for many years," said Morley. "We used to tease him that he was good on the flat . . . He used to retort that in Belgium you're always cycling against the wind. We were always joking with each other. It was kind of a metaphor for the way we worked together."

Dejonghe said: "Hills are not my favourite, to be honest. Give me the Tour of Flanders anytime."

The Shearman deal ahead of him is likely to be a challenge of a very different kind and potentially the pinnacle of his 15 years at the top. But Dejonghe is sanguine. "I've always had a forward-thinking mindset. I'm probably a bit more optimistic than some lawyers." *Kate Beioley*

Banks

JPMorgan chief questioned under oath in Epstein cases

JOE MILLER AND JOSHUA FRANKLIN
NEW YORK

JPMorgan Chase chief executive Jamie Dimon answered questions under oath yesterday about his knowledge of Jeffrey Epstein's crimes, as the legal reckoning over the bank's decision to retain the late sex offender as a client reached Wall Street's highest echelons.

The sworn testimony, which the US's largest lender had tried to prevent from happening, marked a significant escalation in two high-profile cases over JPMorgan's 15-year relationship with Epstein, which has embarrassed some current and former executives and shone an unflattering light on the bank's internal compliance processes. The deposition took behind closed doors and was set to last up to two days.

Dimon's name has already come up in the contentious litigation, which was brought by an unnamed Epstein accuser and the US Virgin Islands, on which Epstein had a home, last year.

Mary Erdoes, a top JPMorgan executive, told lawyers in a sworn deposition in March that Dimon was solely in charge of supervising Jes Staley, a former bank executive who allegedly vouched for Epstein repeatedly at JPMorgan, according to people familiar with the matter.

The 67-year-old was also referenced in an internal email expressing concerns about Epstein, containing the words "pending Dimon review".

In a statement, JPMorgan said its boss had never met Epstein, "spoke with him, [or] emailed with him, and was not involved in any decisions about his account". The bank added: "The plaintiffs know this based on decades of discovery and millions of emails . . . yet they persist in pursuit of publicity."

The cases remain one of the few blots on the copy book of the longtime executive. He recently announced an almost $16bn spending spree at JPMorgan, has been at the forefront of Wall Street's lobbying efforts for a deal on the US debt ceiling to avoid default, and scooped up First Republic, a failed US lender, in a government-led auction.

JPMorgan first took on Epstein as a client in 1998 and continued to bank him until 2013. Dimon was expected to testify that he had no knowledge of the multiple internal red flags raised about Epstein's accounts. Nonetheless, the cases have raised questions about the robustness of the bank's controls.

"It is actually not good news if Dimon didn't know," a person familiar with the bank's organisational structure said. "If nobody ever reached out to him in roughly a decade of continuing to bank [Epstein] when they knew of his conduct and when it was public, that is perhaps even worse news."

JPMorgan has called Epstein's scheme "monstrous" and expressed regret for banking him.

Last week, Deutsche Bank settled separate Epstein-related claims for $75mn, which will be shared among dozens of women.

Dimon set for return to China with star-laden summit

JPMorgan chief executive Jamie Dimon has lined up Henry Kissinger and a clutch of American and Chinese corporate leaders for a summit in Shanghai as global companies try to navigate Sino-US tensions.

The event, part of Dimon's first visit to mainland China in four years, underscores corporate America's attempts to keep plans on track in the world's second-biggest economy.

The chief executives of US giants Starbucks and Pfizer, and China's Baidu and Geely, are among those due to attend in person. Kissinger, the centenarian statesman and architect of Sino-US rapprochement in the 1970s, is set to address the gathering by video.

It will be the first time Dimon has visited mainland China since he apologised in 2021 for telling US business leaders that his bank would outlast the Chinese Communist party.
Kaye Wiggins in Hong Kong and Andrew Edgecliffe-Johnson in New York

BUSINESS
WEEK IN REVIEW

AI warning for EU

• **OpenAI** chief Sam Altman has warned that Brussels' efforts to regulate artificial intelligence could lead the maker of ChatGPT to pull its services from the EU, in the starkest sign yet of a growing transatlantic rift over how to control the technology.

• Artificial intelligence start-up **Anthropic** has raised $450mn to develop a rival to ChatGPT. The round was led by Spark Capital, a San Francisco-based venture fund that has previously invested in Twitter and Coinbase, with participation from Google, Salesforce and Zoom.

• **Meta**, the owner of social media platform Facebook, has been fined €1.2bn by the EU for privacy violations, and ordered to suspend transfers of user data to the US, in the biggest such penalty in the bloc's history.

• **Illumina** shareholders have voted to oust John Thompson, chair of the gene sequencing company, and approve the appointment to the board of Andrew Teno, a nominee supported by Carl Icahn following a proxy battle led by the activist investor.

• Australia's government has referred the **PwC** tax leaks scandal to federal police, asking them to consider a criminal investigation. The scandal has led to the head of PwC's Australian business stepping down and efforts by the Big Four firm's bosses to prevent the case spiralling into a global reputational crisis.

> Five banks broke competition law by sharing sensitive information following the financial crisis, according to the UK regulator

• **Citigroup** plans to spin off its Mexican retail bank through an initial public offering, abandoning a proposal hatched last year to sell the unit. The US lender said an IPO of its Banamex division, which has 38,000 employees, was likely by the end of 2025. Despite the spin-off, Citi plans to retain much of its corporate and institutional businesses in Mexico.

• The share price of Swedish gaming group **Embracer** plummeted after the group slashed its forecast for the year and said a $2bn partnership deal had fallen through. The drop came hours after Embracer was informed that a major strategic partnership that had been negotiated for seven months "will not materialise".

• Citigroup, Deutsche Bank, HSBC, Morgan Stanley and Royal Bank of Canada broke **UK competition law** by sharing sensitive information in chat rooms on Bloomberg when trading government bonds following the financial crisis, according to provisional findings from the Competition and Markets Authority.

€1.2bn Fine imposed on Meta by the EU for breach of privacy rules

9.9% Rise in sales at retailer Marks and Spencer in the year to April 1

• **Cboe Global Markets** is planning to lure companies to list on its markets in Europe. The group is preparing to take on the London Stock Exchange, Euronext, Nasdaq and Deutsche Börse.

• The UK's Cambridge-based chip designer **Arm** is limiting its "blue sky" research with the closure of a key tech division and rechannelling its efforts into more commercially viable products ahead of this year's hotly anticipated public listing.

• **Marks and Spencer** posted an increase in annual sales and profits. The company said sales were up 9.9 per cent to almost £12bn in the year to April 1. Pre-tax profits rose from £391.7mn to £475.7mn.

Bright lights of New York's bourse hold greatest allure for London-listed stocks

FT ranking of European groups shows those in UK have strongest business case for relocating to US exchange

PATRICK MATHURIN AND ANNE-SYLVAINE CHASSANY

London is the European stock exchange most at risk of suffering big departures to the US, according to a ranking compiled by the Financial Times identifying large companies with the strongest business case to consider a New York listing.

The FT assessed 111 European companies, each with a market capitalisation of at least $10bn and each with their shares trading at a discount to US rivals, to determine which have the strongest case to switch to a New York listing. London-listed groups made up just a fifth of the total — but half of the top 10 and 18 of the top 50.

The finding is further evidence of London's vulnerability compared with Paris, Amsterdam and Frankfurt as higher US economic growth forecasts and a larger pool of investors strengthen the business case for a move.

Many groups may decide against switching listings for reasons including fear of political backlash and regulatory hurdles. But yawning valuation gaps and a more aggressive US industrial policy mean many will feel investor pressure to explore spinning off their US operations. The trading discount also makes them potential takeover targets.

A company's ranking is based on its valuation discount compared with a group of US peers, the share of its revenues generated in the US and its proportion of North American investors, as calculated and compiled by data provider FactSet. The greater each of these metrics, the higher the company's position (see methodology below).

London-listed Irish construction group CRH, which will put its decision to move its primary listing to New York to shareholders on June 8, tops the league table. It is followed by cigarette maker British American Tobacco and drugmaker GSK, which generates almost half its revenues in the US. Dutch medical devices group Philips ranks fifth.

The large London-listed miners also feature in the ranking. Rio Tinto ranks 14th and Anglo American — whose spin-off AngloGold Ashanti has announced a move to New York — comes in at 30th, ahead of Glencore (35th).

Other European exchanges are not immune. Italian machinery group CNH Industrial (fourth), has announced its retreat from Milan to make New York its sole listing. German diagnostics group Qiagen (28th) said it "periodically" reviewed its dual listings in New York and Frankfurt.

There are numerous, sometimes insurmountable obstacles to a move, including political opposition, national security and regulatory complexities — banks and defence companies in the ranking are deeply rooted in their respective homelands. Oil group Shell (78th) decided against such a move, while the chief executive of France's TotalEnergies (54th) told investors it was not an option. BP ranks 42nd.

The economic pull from the US can be felt regardless of a valuation gap: London-listed Flutter, the world's largest listed gambling company, does not feature in the ranking because it trades at a premium to smaller US rivals. But the Irish group, which owns US betting platform FanDuel, will launch an additional US listing this year, before seeking investors' approval on moving its primary listing there in the next few years.

Some smaller companies — not captured in the sample — also have reasons to look across the Atlantic. London-listed drugmaker Indivior is planning a secondary listing in New York. Events organiser Informa "would consider" moving to the US given the size of its American business, according to an insider. Dublin-listed consumer goods group Glanbia, which derives more than 80 per cent of its revenues in the US, will start reporting its results in US dollars this year.

But for some the cost and distraction of a move may outweigh the benefits. Jon Steinberg, the American chief of London-listed magazine publisher Future who is spearheading a US-first strategy, said he was not considering switching to New York because the business would be too small to catch investors' attention.

1. CRH
London listing

Discount: 47%
US revenues: 58%
North American investors: 19%

With three-quarters of earnings coming from the US, the Irish building materials group says its decision in March to shift to a US listing is on course to receive "strong support" from shareholders at an extraordinary meeting on June 8.

A US listing would make shares in the acquisitive company more attractive as CRH trades at a discount to US peers. It also believes it would boost its ability to bid for US infrastructure contracts and takeover targets. *Jude Webber*

Fight or flight: businesses in sectors from tobacco to advertising and construction are among those that might be tempted by higher US growth forecasts and a larger pool of investors in New York — FT montage/Bloomberg/Alamy/Getty Images/Dreamstime

Companies for which a transatlantic float would be most plausible

Rank	Name	Exchange
1	CRH	London
2	British American Tobacco	London
3	GSK	London
4	CNH Industrial	Milan
5	Philips	Amsterdam
6	Heidelberg Materials	Frankfurt
7	WPP	London
8	Bayer	Frankfurt
9	BAE Systems	London
10	Universal Music	Amsterdam
11	Barclays	London
12	Holcim	Zurich
13	EssilorLuxottica	Paris
14	Rio Tinto	London
15	Diageo	London
15	National Grid	London
17	Michelin	Paris
18	Imperial Brands	London
19	Smith & Nephew	London
20	InterContinental Hotels	London
20	Fresenius	Frankfurt
20	Nokia	Helsinki
23	Teleperformance	Paris
24	Publicis	Paris
25	Stellantis	Milan
26	Danone	Paris
26	Deutsche Telekom	Frankfurt
28	Qiagen	Frankfurt
28	Wolters Kluwer	Amsterdam
30	Anglo American	London
31	Continental	Frankfurt
32	Amadeus IT	Madrid
33	Henkel	Frankfurt
33	SAP	Frankfurt
35	Glencore	London
36	UBS	Zurich
36	Ahold	Amsterdam
38	Reckitt Benckiser	London
39	Sanofi	Paris
39	Tenaris	Milan
41	Engie	Paris
42	BP	London
43	Deutsche Bank	Frankfurt
43	Sage	London
45	Daimler Truck	Frankfurt
46	Capgemini	Paris
47	Ericsson	Stockholm
48	Infineon Technologies	Frankfurt
49	Sodexo	Paris
50	Unilever	London

Sources: FactSet; FT research

2. British American Tobacco
London listing

Discount: 31%
US revenues: 46%
North American investors: 38%

The maker of Dunhill and Lucky Strike cigarettes has been listed in London for more than a century, but that has not stopped some shareholders from encouraging it to move to the US. Rajiv Jain, founder of US investment firm and top-five BAT shareholder GQG, told the FT in March that he had urged management to switch its primary listing, saying it "makes no sense" for BAT to remain a FTSE company and that it was "an orphan in Europe".

Jain argued that not only was the world's biggest tobacco group by sales undervalued compared with US peers, its ownership base was also largely in the US. Philip Morris International and Altria, which share rights to the Marlboro brand, trade at a blended multiple of 12 times next year's earnings, while BAT is on just 7.5 times. Environmental and social mandates have also caused European financial institutions to divest from tobacco. People close to BAT insist it has not actively discussed switching its listing to the US. *Oliver Barnes*

3. GSK
London listing

Discount: 35%
US revenues: 50%
North American investors: 22%

Like many other pharmaceutical companies, GSK generates almost half its sales in the US because of the country's high drug prices. Until last year, the UK company's chief scientific officer was based on the US west coast, where he ran several partnerships with early-stage companies. But Hal Barron has now stepped down from the post (he remains on the board) and been replaced by UK-based Tony Wood. The group has a secondary listing in the US, but a person familiar with the matter said there was a "zero per cent chance" that it would move. *Hannah Kuchler*

4. CNH Industrial
Milan listing

Discount: 42%
US revenues: 35%
North American investors: 27%

Dual-listed CNH, formed a decade ago by the merger of US-listed CNH Global with the Italian billionaire Agnelli family's Fiat Industrial, said in February that it would give up Milan in favour of a single listing on the New York Stock Exchange.

The company, which makes machinery and technology for agriculture and construction, hopes to complete the delisting by early 2024. Following the spin-off of commercial vehicle manufacturer Iveco in 2022, most of the group's trading activities moved to New York in a shift CNH said reflected "that the company's new business profile and investor base fit better with a single US listing". *Silvia Sciorilli Borrelli*

5. Philips
Amsterdam listing

Discount: 33%
US revenues: 41%
North American investors: 26%

The Dutch conglomerate, which is focused among other areas on medical equipment for diagnostic imaging, said almost half its €17.8bn in global sales last year were generated in the US.

The company, which has its main listing in Amsterdam and a secondary listing in New York, said there were "no plans" to change that. *Donato Paolo Mancini*

6. Heidelberg Materials
Frankfurt listing

Discount: 68%
US revenues: 19%
North American investors: 22%

One of the world's largest building materials groups, Heidelberg was founded in 1874 with a focus on cement — which until late last year featured in its name. The new branding comes as the company seeks to become more environmentally sustainable.

It said it was not currently considering moving its listing to the US, adding that it was in constant dialogue with its investors and analysts and that "we are convinced that the transformation Heidelberg Materials has embarked on will eventually also reflect a significant re-rating of our company". *Patricia Nilsson*

7. WPP
London listing

Discount: 32%
US revenues: 36%
North American investors: 27%

The UK's largest advertising group generates more than a third of its revenues in the US, where it competes with New York's "Mad Men" agencies for the cheque books of US tech and consumer groups. American rivals tend to be valued at higher multiples, which makes a move a potentially attractive prospect. However, while people close to the company say relocation could always be an option, there is no move being worked on. WPP, which has an American depositary receipt that trades in New York, declined to comment. *Daniel Thomas*

8. Bayer
Frankfurt listing

Discount: 48%
US revenues: 31%
North American investors: 20%

The seeds-to-pills conglomerate has been one of Germany's worst-performing blue-chip companies in recent years, thanks to its ill-fated $63bn acquisition of US agrochemicals group Monsanto, which exposed Bayer to billions of dollars in litigation costs tied to the weedkiller glyphosate. Activist investors want to split the group's pharmaceuticals business from its crop science unit to optimise its valuation. Incoming chief executive Bill Anderson said he would review all options for the company, including a break-up. The company said it had no plans to move its listing. *Olaf Storbeck*

9. BAE Systems
London

Discount: 20%
US revenues: 48%
North American investors: 42%

Trading at a discount to US peers and with significant American activities, analysts have in the past suggested that Europe's biggest defence company should spin off its US business to create a separately listed company.

But BAE has always maintained that its geographic spread is a strength, and the UK government, which retains a golden share, would be unlikely to support such a move.

The war in Ukraine and the prospect of higher government defence spending have helped narrow the valuation gap as BAE shares have soared. The company said it had no intention of listing in the US or divesting its business in the country. *Sylvia Pfeifer*

10. Universal Music
Amsterdam listing

Discount: 31%
US revenues: 50%
North American investors: 20%

The world's biggest music label has always had a US centre of gravity, even if former parent Vivendi was based in Paris. Its biggest artists are in the US, as are 20 per cent of its shareholders and half its revenues.

Vivendi spun out the group in 2021, placing its headquarters and listing in Amsterdam for financial and legal reasons. The likelihood of relocating or dual-listing in the US appears slim — the operations are already there and its biggest shareholders, Vincent Bolloré and Vivendi, benefit from being able to sell down their stakes in Europe. Universal Music declined to comment. *Leila Abboud and Anna Nicolaou*

Additional data analysis by Ella Hollowood

Methodology

The ranking was created as an equally weighted score across three metrics:

- The gap between a company's forward fiscal year-end price/earnings ratio and the median valuation of a basket of US competitors, based on FactSet's 129 industry classifications and customised by the Financial Times;
- Its standardised share of US revenues;
- The percentage of North American shareholders on its books.

For instance, British American Tobacco's trading discount is calculated by comparing its valuation with a basket of US tobacco companies including Altria.

The 111 companies in our sample were drawn from the FTSE 350 and Stoxx 600, excluding investment trusts, asset managers and real estate groups. They have a market capitalisation of at least $10bn, generate at least 2 per cent of their revenues in the US and have no trading premium to US peers.

Companies have a higher ranking if they have a wider trading discount, greater share of US revenues and a larger proportion of North American shareholders.

The standardised US revenues figures are drawn from a proprietary calculation by FactSet that does not always match a company's own reported numbers.

All the data is as of May 22 2023.

Oil & gas

Oslo fund puts heat on Exxon and Chevron

Climate activists backed amid attempts to force emissions policy shift

RICHARD MILNE — OSLO
SARAH WHITE — PARIS

The biggest sovereign wealth fund will side with climate activists against ExxonMobil and Chevron in an attempt to force changes on emissions policy after the investor came under pressure for supporting European oil and gas companies.

Norway's $1.4tn oil fund will back shareholder proposals at Exxon's and Chevron's annual meetings next Wednesday for the US oil and gas majors to introduce targets for cutting emissions from the use of its products.

That stands in contrast to the fund's refusal to back similar proposals — designed to ensure the world limits warming to under 2C to meet the Paris agreement — at European majors such as BP, Shell and TotalEnergies, the French group whose annual meeting yesterday was marked by protests.

Carine Smith Ihenacho, the fund's chief corporate governance officer, said there was a difference between how European and US oil majors viewed Scope 3 targets, which occur when their products are burnt or consumed. "Exxon don't really believe in the value of setting Scope 3 targets. We think the company should do so. Chevron: we don't think they are ambitious enough in their transition plans. Both BP and Shell have good Scope 3 targets; they have good transition plans."

Norway's fund is one of the most influential investors, owning on average 1.5 per cent of every company.

Its drive to take a lead on environmental, social and governance investing has put it on a collision course with some of the biggest companies as well as drawing criticism and cries of hypocrisy from environmental pressure groups.

Mark van Baal, founder of Follow This, the activist group behind the shareholder proposals at the oil majors, said he welcomed the fund's support on Exxon and Chevron but was "surprised" that it had failed to do the same with BP, Shell and Total. "The fund have a huge responsibility. This voting jeopardises their credibility as stewards of the global economy. Basically, they are saying to Shell, BP and Total, 'you don't have to reduce your emissions this decade'. We expect them to correct this oversight next year." Van Baal said BP and Shell had made "empty promises" for 2050 as European companies took "baby steps" on climate change. "In a field of laggards, it's very easy to be the leader."

Exxon and Chevron urged shareholders to refuse to support Follow This's proposal and said oil and gas companies would play an important role in the transition. Exxon said: "We believe setting Scope 3 targets can have significant unintended consequences for society."

At the TotalEnergies AGM in Paris, a large group of investors urged the French company to speed up efforts to switch to cleaner energy. Dozens of climate activists attempted to block the entrance but were dispersed by police using pepper spray and tear gas.

More than 30 per cent of investors supported a resolution filed by Follow This calling for Total to cut its emissions at a faster pace by 2030. Earlier this week, Shell suffered a similar revolt against its energy transition strategy for the second year in a row as its annual meeting was disrupted by activists.

Total chief executive Patrick Pouyanné hit out at the "grumps" who accused the company of greenwashing as he defended the company's investments in wind and solar power, alongside a greater focus on gas from oil as a transition fuel.

"We're convinced of the credibility of our climate transition plan," Pouyanné said. He added that, if Total were suddenly to sell oil assets, they would be bought by less climate-minded rivals, which would be in the interests neither of shareholders nor of the planet.

Travel & leisure. Revenue gap

English rugby union seeks to stave off crisis

National side and league organiser hope to end conflict between tiers of the game

SAMUEL AGINI

English rugby union is drawing up reorganisation plans that aim to end conflicts between different tiers of the game and stave off a crisis that is developing both on and off the pitch.

The Rugby Football Union, which runs the national side, and league organiser Premiership Rugby are in talks to strengthen ties, ensure star players are available to both England and clubs as required, and devise more joined-up marketing and media rights plans.

The initiatives come at a time of financial turmoil for rugby, which has pushed both the one-time European champions Wasps and the 152 year-old Worcester Warriors out of the Premiership. Gloom has spread to the national side, epitomised by England's record home defeat against France in the Six Nations tournament this year.

In an interview with the Financial Times, RFU chief Bill Sweeney said the sport was asking itself how to "stop the bleeding" after four "really disruptive" years. He cited the impact of the pandemic, which forced the sport to seek a rescue package from the government.

"The next phase is the turnround," Sweeney said. "We're on the verge of something quite transformational."

While the details are still being thrashed out, the aim is to improve England's record on the pitch, equip clubs to retain talent and better compete against overseas rivals, and boost grassroots investment. Executives want to have a blueprint for the future of the game later this year.

The challenges are considerable. Another club, London Irish, which warned in its 2021 accounts that there was a "material uncertainty" about its ability to continue as a going concern, is sounding out prospective investors.

There are some signs that the clubs' financial problems are having an impact on the pitch. Some England players, including ex-Wasps flanker Jack Willis, have left to play in France.

Sweeney and his counterpart at the Premiership, Simon Massie-Taylor, are trying to address a divide in the sport, which is plagued by competing interests of the national team and the club game.

"We're just going to try and remove as much conflict out of this partnership as possible," Massie-Taylor said.

The Rugby Football Union runs the national team, seen here playing against France at Twickenham Paul Harding/Getty Images

Fixture clashes mean Premiership clubs are often deprived of the best players when they are selected for England.

To reduce calendar overlaps, the Premiership is examining plans to reduce the size of its league further to 10 teams. It has already cut the numbers from 13 last year to 11, following the troubles at Wasps and Worcester.

Fewer fixtures in a smaller league could also improve player welfare, following medical evidence showing that international rugby players had a higher risk of neurodegenerative disease than the general population.

Rugby's revenues are healthier at national level, which typically takes precedence over the club game for fans and commercial partners. The RFU generated a total £455mn in revenues in its last three financial years, dwarfing that of Irish Rugby, for instance, which produced €280mn in the same period.

Having a considerably larger budget than some of its biggest rivals has not translated into success on the field for England, however.

The RFU sacked the national coach Eddie Jones last year and replaced him with Steve Borthwick, formerly of the Leicester Tigers, but the team's performance remained sluggish this year in the Six Nations, in which it finished fourth. In the world rankings England ranks sixth, behind Scotland.

"The money is there but it's not being used in the right way," said one club owner who declined to be named. "The big problem is we're fundamentally competing against each other for players, media and sponsors, rather than going out and selling it all together."

'We're competing against each other for players, media and sponsors, rather than going out and selling it all together'

The RFU also points out structural differences between England and systems such as Ireland.

It added that it is overly simplistic to say that "more player resources and money should result in better performance" and that more emphasis should be given to resource management.

Despite its difficulties, rugby union has continued to attract private capital. CVC Capital Partners took a 14 per cent stake in the Six Nations two years ago for £365mn. The deal generated £90mn for the RFU, which it is deploying in the women's game, digital media and an upgrade of the Twickenham national stadium. But the revenue gap between the tiers is wide, with the RFU's £189mn revenue last year nearly trebling Premiership Rugby's £65mn.

In football, by contrast, the English Premier League's £3bn revenue in the year to the end of July 2022 was nearly six times that of the Football Association, the national governing body.

"What you see with English rugby is almost the reverse of English football," said Massie-Taylor. While interest in the international game was "massive", he said, "the challenge is how it filters down" to club level.

Banks

FCA probes sustainable loans amid concerns over greenwashing

KENZA BRYAN

The Financial Conduct Authority is probing the market for sustainable loans, following concerns that the environmental targets in such deals are too easy for companies to meet.

The watchdog has started interviewing bankers and borrowers about loans that potentially reward borrowers with lower rates but fail to have a significant environmental impact. It is considering whether to bring in a voluntary code of conduct that would set out best practices for loan design.

The FCA, whose inquiry has not previously been reported, is responding to growing industry concerns about the potential for so-called greenwashing, in which banks overstate their positive social and environmental impact to burnish their reputation.

Last year $29.2bn of sustainability-linked loans were issued in the UK, after raising $34.7bn in 2021, according to data provider Dealogic, amid a broader market downturn. This amounted to just over a tenth of the European total.

Companies that take out sustainability-linked loans are punished with higher interest rates on their payments if they fail to meet their agreed goals. If they succeed, they are rewarded with lower rates.

"People are selling loans, but maybe not doing it as well as they could do with standards and transparency," Sacha Sadan, director of Environmental, Social and Governance at the FCA told the Financial Times.

'The big worry is that we just don't end up getting towards net zero even though we're saying we are'

"The big worry is that we just don't end up getting towards net zero even though we're saying we are," he added.

Such deals have become more popular as borrowers respond to pressure from investors and staff on environmental, social and governance issues.

A particular concern of the FCA is that companies use undisclosed targets for sustainable loans that may be easier to meet than other targets that are usually made public. "To me the metrics should be similar ones to [those] the boss gets linked on," Sadan said.

ING, the Dutch bank, recently turned away an "important" client that tried to add a low-quality sustainability clause to a loan ING had pitched to co-ordinate, Jacomijn Vels, the bank's global head of sustainable finance, told the FT. "We're still very much in this process of becoming a mature market," she said.

Vels added that so-called "sleeping" sustainability-linked loans, where the goals are not added until after the deal has been agreed, are increasingly common. ING has some "sleeping" loans but does not count them towards its own annual green financing target of €125bn by 2025 until the clause has been added, known as "waking up" the loan.

"The banks have all made these net zero commitments, so they need to frankly clean up their loan books . . . they are in promotion mode," said David Milligan, partner at law firm Norton Rose Fulbright. Sustainability clauses were "one of the first questions" bankers ask when striking a loan deal, and were considered a "default option".

Airlines

Lufthansa to pay €325mn for 41% ITA stake

ROBERT WRIGHT — LONDON
PATRICIA NILSSON — FRANKFURT
SILVIA SCIORILLI BORRELLI — MILAN

Lufthansa is to take a 41 per cent stake in Italy's ITA Airways, the successor to the now insolvent flag-carrier Alitalia.

The German group said that it would pay €325mn for the stake and that Italy's economics ministry would put a further €250mn into the Italian airline.

Lufthansa will integrate ITA with the other carriers in its broader group, including Eurowings, Swiss, Brussels Airlines and Austrian Airlines, as well as the core German flag-carrier.

"As a network airline, ITA will closely co-operate with Lufthansa Group to benefit from group synergies," the airline said.

A joint statement by Lufthansa and Italy's economics ministry said ITA would hire a further 1,200 employees this year, bringing its total staff to 5,500.

The German company will be appointing ITA's chief executive as well as one of the Italian company's five board members. Lufthansa holds an option to take a majority stake in the future based on a negotiated price.

The deal concludes a nearly three-year-long search by the Italian government for a private buyer for the Italian flag-carrier. At the beginning, the process included bidders such as Delta Air Lines, Air France-KLM and the Swiss-Italian container shipping and cruise company MSC.

The carrier will join an operation that also includes Brussels Airlines, Swiss, Eurowings and Austrian

Thursday's agreement marks Lufthansa's second attempt to take over the ailing Italian airline. In early 2022, it submitted a joint offer with MSC for a controlling stake in ITA Airways that was overtaken in late August by a bid from US-based private equity group Certares.

Then prime minister Mario Draghi's government said at the time that the private equity-led offer better suited the Italian airline's needs. Certares was offering to buy the airline's controlling stake and it had struck a commercial partnership with Delta Air Lines and Air France-KLM.

The talks were scrapped by Italy's new government after October's general election. According to several Italian officials, the government wanted the carrier to be taken over by a larger competitor as opposed to a private equity concern.

Establishing a hub in Rome will allow Lufthansa to tap the lucrative transatlantic market and optimise flight schedules on European routes to boost yields.

Stephen Furlong, an airlines analyst at Dublin's Davy stockbrokers, said Lufthansa's move was a "helpful development" in the continuing consolidation of Europe's airline industry.

Automobiles

Tesla to open EV fast chargers to Ford drivers

CLAIRE BUSHEY — CHICAGO

Ford has struck a deal to give its drivers access to 12,000 fast-charging stations in Tesla's North American network, in an attempt to combat range anxiety that might discourage car shoppers from buying one of its electric vehicles.

The deal more than doubles the number of fast-charging stations in Ford's charging network. Ford owners will receive access next spring via an adapter that converts the electric connectors in Tesla's Superchargers for use in Ford's Mustang Mach-E or F-150 Lightning pick-up trucks.

Ford chief executive Jim Farley announced the deal alongside Elon Musk, the billionaire boss of Tesla, Twitter and SpaceX, on a surprise event on Twitter Spaces, the social media site's audio livestream function.

"We're really excited," Farley said. "We're ramping production, and we think this is a huge move for our industry and all electric customers."

Tesla already was planning to partly open its 45,000-charger network to all electric car models by the end of 2024, at the White House's urging and to gain access to $7.5bn in subsidies.

The EV manufacturer will open up at least 7,500 chargers to drivers of any EV model, including 3,500 along US highways.

Electric connectors will be converted for use in Ford's Mustang Mach-E or F-150 Lightning pick-up trucks

The Biden administration wants to establish 500,000 chargers across the country by 2030, up from roughly 130,000 available now, as it races to expand EV adoption. "We don't want the Tesla Supercharger network to be like a walled garden," Musk said.

When Ford's second generation of EVs are available in 2025, they would be built with the same connector that Tesla already used, eliminating the need for an adapter, Farley said.

The adapter would cost in the "hundreds of dollars range", Musk said — not "super expensive".

The long distances travelled in the US have led to "range anxiety" among drivers, who worry being stranded far from a charging station. The fear has led US carmakers to push to source batteries capable of travelling further on a single charge, although that in turn drives up the cost of the vehicle. EVs already cost more than comparable ones with traditional engines.

Ford sees fast-chargers as a way to circumvent the problem.

"Our industry is obsessed with these huge batteries, and I think that is maybe not the right approach," Farley said. "We should make the battery as small as possible . . . but have really great fast-charging experience combined with that, so we don't have to be driving around $20,000 of extra battery."

Technology. Arms race

Nvidia reaps rewards from early lead in AI chipmaking

Technological lead: Nvidia's California headquarters. The group's H100 chip is the first designed for generative AI Sundry Photography/ Alamy Stock Photo

Demand for H100 processors prompts US group's valuation to head rapidly towards $1tn

TIM BRADSHAW — LONDON
RICHARD WATERS — SAN FRANCISCO

In 2022, US chipmaker Nvidia released the H100, one of the most powerful processors it had ever built — and also its most expensive, costing around $40,000 each.

The launch seemed badly timed, just as businesses sought to cut spending amid rampant inflation. Then in November, ChatGPT was launched.

"We went from a pretty tough year last year to an overnight turnaround," said Jensen Huang, Nvidia's chief executive. OpenAI's hit chatbot was an 'aha moment', he said. "It created instant demand."

ChatGPT's sudden popularity has triggered an arms race among the world's leading tech companies and start-ups that are rushing to obtain the H100, which Huang describes as "the world's first computer [chip] designed for generative AI"— artificial intelligence systems that can quickly create humanlike text, images and content.

The value of having the right product at the right time became apparent this week. Nvidia announced on Wednesday that its sales for the three months ending in July would be $11bn, more than 50 per cent ahead of Wall Street's forecasts, driven by a revival in data centre spending by Big Tech and AI chip demand.

Investors' response to the forecast added $184bn to Nvidia's market capitalisation on Thursday, taking what was already the most valuable chip company close to a $1tn valuation.

Nvidia is an early winner from the astronomical rise of generative AI, a technology that threatens to reshape industries, produce huge productivity gains and displace millions of jobs.

That technological leap is set to be accelerated by the H100, which is based on a new Nvidia chip architecture dubbed "Hopper" — named after the American programming pioneer Grace Hopper — and has suddenly became the hottest commodity in Silicon Valley.

"This whole thing took off just as we're going into production on Hopper," said Huang, adding that manufacturing at scale began just a few weeks before ChatGPT debuted.

Huang's confidence on continued gains stems in part from being able to work with chip manufacturer TSMC to scale up H100 production to satisfy exploding demand from cloud providers such as Microsoft, Amazon and Google, internet groups like Meta and corporate customers.

"This is among the most scarce engineering resources on the planet," said Brannin McBee, chief strategy officer and founder of CoreWeave, an AI-focused cloud infrastructure start-up that was one of the first to receive H100 shipments earlier this year.

Some customers have waited up to six months to get hold of the thousands of H100 chips that they want to train their vast data models.

Elon Musk, who has bought thousands of Nvidia chips for his new AI start-up X.ai, said at a Wall Street Journal event this week that the GPUs (graphics processing units) "at this point are considerably harder to get than drugs", joking that was "not really a high bar in San Francisco".

The H100 is proving particularly popular with Big Tech companies such as Microsoft and Amazon, which are building entire data centres centred on AI workloads, and generative-AI start-ups such as OpenAI, Anthropic, StabilityAI and InflectionAI, because it promises higher performance that can accelerate product launches or reduce training costs over time.

"In terms of getting access, yes this is what ramping a new architecture GPU feels like," said Ian Buck, head of Nvidia's hyper scale and high-performance computing business who has the daunting task of increasing supply of H100 to meet demand.

"It's happening at hyper scale," he added, with some big customers looking for tens of thousands of GPUs.

The unusually large chip, an "accelerator" designed to work in data centres, has 80bn transistors, five times as many as the processors that power the latest iPhones.

"The H100 solves the scalability question that has been plaguing [AI] model creators," said Emad Mostaque, co-founder and chief executive of StabilityAI, one of the companies behind the Stable Diffusion image generation service. "This is important as it lets us all train bigger models faster."

While the timing of the H100's launch was ideal, Nvidia's breakthrough in AI can be traced back almost two decades earlier to an innovation in software rather than silicon.

Its Cuda software, created in 2006, allows GPUs to be repurposed as accelerators to other kinds of workloads beyond graphics. Then, around 2012, Buck explained, "AI found us".

Researchers in Canada realised that GPUs were ideally suited to creating neural networks, a form of AI inspired by the way neurons interact in the human brain, which were then becoming a new focus for AI development.

"It took almost 20 years to get to where we are today," said Buck.

Nvidia now has more software engineers than hardware engineers to enable it to support the many AI frameworks that have emerged in the subsequent years and make its chips more efficient at the statistical computation needed to train AI models.

Hopper was the first architecture optimised for "transformers", the approach to artificial intelligence that underpins OpenAI's "generative pre-trained transformer" chatbot.

Nvidia's close work with AI researchers allowed it to spot the emergence of the transformer in 2017 and start tuning its software accordingly.

"Nvidia arguably saw the future before everyone else with their pivot into making GPUs programmable," said Nathan Benaich, general partner at Air Street Capital, an investor in AI. "It spotted an opportunity and bet big and consistently outpaced its competitors."

'Nvidia spotted an opportunity and bet big and consistently outpaced its competitors'

Benaich estimates that Nvidia has a two-year lead over its rivals but added: "Its position is far from unassailable on both the hardware and software front."

Mostaque agreed, adding: "Next-generation chips from Google, Intel and others are catching up [and] even Cuda becomes less of a moat as software is standardised."

To some in the AI industry, Wall Street's enthusiasm this week looks overly optimistic. Nevertheless "for the time being", said Jay Goldberg, founder of chip consultancy D2D Advisory, "the AI market for semis looks set to remain a winner takes all market for Nvidia".

Additional reporting by Madhumita Murgia

Fixed income

US money fund assets soar to record high of $5.4tn

HARRIET CLARFELT AND KATE DUGUID
NEW YORK

US money market fund assets have swelled to a record high this week as the best yields available in years and the early May collapse of First Republic Bank kept investors piling into the low-risk vehicles.

Total net assets in money market funds, which invest in high-quality, short-dated debt, reached almost $5.4tn as of Wednesday, according to data from the Investment Company Institute.

The figure is up from less than $5.3tn in late April and $4.8tn at the start of the year.

Investors have rushed into money market funds this year due to the increasingly high yields on offer, particularly in government vehicles, fuelled by the US Federal Reserve's most aggressive campaign of interest rate rises in decades.

Most of the assets reported by ICI sit in government-focused vehicles, which hold Treasury bills that are deemed to be very low risk.

According to EPFR, another data provider, money market funds have so far absorbed roughly $146bn in May, putting the month on track to have had the second-highest inflows since April 2020, when panicked investors flooded in.

In March, money market funds received a massive $370bn as the regional Silicon Valley Bank and Signature Bank collapsed, raising questions about the health of the wider sector.

'To the extent there is a flood of supply coming to market, it will be received with open arms'

For Shelly Antoniewicz, senior economist at the ICI, rapid inflows into money market funds early this month were likely related to the demise of California-based First Republic, which had $93.5bn of deposits before it was shut down and largely sold to JPMorgan Chase at the beginning of May.

The flood of cash into money market funds has continued even as pressure on the banking system has eased and attention has turned to the prospects of a US government default if lawmakers in Washington fail to reach a deal to raise the country's debt ceiling.

The starring role of money market funds in markets this year may continue even after any deal to raise the federal borrowing limit.

After a potential resolution, the Treasury department is expected to have to borrow vast amounts of cash in order to replenish its coffers — roughly $750bn in Treasury bills in the four months after a deal, according to JPMorgan estimates.

"To the extent that Treasury has a flood of supply that's coming to market, it will be received with open arms," said Deborah Cunningham, chief investment officer of global liquidity markets at Federated Hermes.

Technology

Klarna's losses halve as Swedish fintech predicts return to profit by year-end

RICHARD MILNE AND SIDDHARTH VENKATARAMAKRISHNAN

Klarna halved its losses in the first quarter as the Swedish "buy now, pay later" pioneer said it was on course to return to profit by the end of the year.

Once Europe's most valuable private tech company, Klarna said yesterday that its net losses narrowed to SKr1.3bn ($120mn) in the quarter while credit losses shrank more than a third. Its revenues rose 13 per cent to SKr4.9bn.

"We are on track to achieve profitability this year," said chief executive Sebastian Siemiatkowski. The company is expecting to be profitable again by August or September; it last made an annual profit in 2018, a quarterly profit in the second quarter of 2019 and a monthly profit in August 2020.

Klarna became a symbol of the boom and bust in the fintech sector as its valuation was slashed from $46bn to $6.7bn last year, prompting the group to retrench and cut jobs.

Founded in 2005, it pioneered buy now, pay later (BNPL), which allows customers to delay payments or divide them into instalments.

The popular form of credit was boosted by the ecommerce boom during the pandemic.

Last week, Klarna announced that it was working with Airbnb in the US and Canada, allowing customers to divide accommodation bookings worth more than $500 in four payments over six weeks.

At the same time, the wider BNPL industry is under growing scrutiny with campaign groups and politicians concerned that some lenders fail to ensure users can afford to buy on credit and are encouraging them to overspend.

The 'buy now, pay later' pioneer became a symbol of boom and bust

In the US, research by the Consumer Financial Protection Bureau published in March found that BNPL users were more likely to be highly indebted, though the regulator said it was unclear whether access to interest-free BNPL credit helped or worsened finances.

This week, Stephen Jones, the Australian assistant treasurer and minister for financial services, said the government would start regulating BNPL as a form of credit, introducing a bill to parliament by the end of the year.

In February, the UK Treasury released draft proposals to enable the Financial Conduct Authority to regulate the sector, with potential penalties including banning groups that fail to conduct adequate credit checks from further lending.

The government aims to put legislation before parliament this year.

There is increasing competition in the BNPL market. A number of high street banks, including NatWest and Santander, have launched BNPL services while Apple launched its service in March in the US.

Fixed income

Tightening credit squeeze triggers rise in American corporate bankruptcies

SUJEET INDAP — NEW YORK

More large US companies are taking shelter in bankruptcy court, a sign of a tightening credit squeeze as interest rates rise and financial markets become less hospitable to borrowers.

Eight companies with more than $500mn in liabilities have filed for Chapter 11 bankruptcy this month, including five in a single 24-hour stretch last week. In 2022, the monthly average was just over three filings.

Twenty-seven large debtors have filed for bankruptcy so far in 2023 compared with 40 for all of 2022, according to figures compiled by bankruptcydata.com.

Among recent companies to succumb to creditors include Envision Healthcare, Vice Media and Kidde-Fenwal, a maker of fire control systems facing thousands of lawsuits over its use of so-called forever chemicals.

The bankruptcies come after years of quiescent markets and rising valuations allowed even financially stressed firms to raise debt and equity capital to stay afloat.

Debt default rates had fallen to about 1 per cent in 2021 as central banks pumped money into the coronavirus pandemic-stressed economy.

Now, S&P Global forecasts that the 12-month trailing default rate for speculative grade securities will jump from the current 2.5 per cent to 4.5 per cent by early 2024.

Yields on junk bonds have more than doubled from less than 4 per cent in mid-2021, as measured by the BofA US High Yield Index, an indication of how much more expensive capital has become for less creditworthy borrowers.

'Some companies have used every trick in the book and have now run out of tricks'

"Our general view is that we are going to see an increase in 'hard restructurings', driven by the combination of higher debt levels from the borrowing binge of Covid and rising interest rates," said Bill Derrough, an investment banker at Moelis who advises clients across distressed situations.

"The triggers will be running out of money and inability to refinance maturing debt," he added. "Some companies have used every trick in the book and have now run out of tricks."

Between 2020 and 2022, several private equity-backed companies pursued "liability management" transactions to survive, raising cash through new borrowings and extending maturities.

Such deals have been controversial as they pushed down the claims of large groups of creditors in the event of bankruptcy.

Two companies that pursued high-profile liability management transactions, Envision Healthcare and Serta Simmons Bedding, have filed for bankruptcy in 2023.

In the view of some observers, the companies could have undergone less complex restructurings and accumulated lower debt burdens had they avoided these transactions.

"Very few of these liability management transactions have been successful," Mike Harmon, a former investor at Oaktree Capital who now teaches at Stanford University, recently told the Financial Times.

The day in the markets

What you need to know

- **Wall Street stocks buoyed by chipmaker gains**
- **Debt ceiling fears ebb as Washington signals progress on talks**
- **European equity indices advance while Turkey's lira sinks to record low**

Chipmakers climb as AI boosts demand
Philadelphia Semiconductor index (SOX)

Source: Refinitiv

Wall Street rose yesterday, driven by gains in the technology sector following blowout chipmaker earnings and growing investor optimism that a deal on the US debt ceiling will land in the coming days.

Wall Street's tech-heavy Nasdaq Composite index was up 2.1 per cent by midday in New York, boosted by the rally around AI-related stocks for the second successive day.

The benchmark S&P 500 rose 1.3 per cent, extending its gains from the previous session.

The Philadelphia Semiconductor index has added 37.4 per cent since the start of the year, driven by the booming AI industry.

"The equity market performance is very narrow," said Emiel van den Heiligenberg, head of asset allocation at LGIM. "Only technology stocks are performing — ex[cluding] those technology stocks, the S&P is flat."

He added: "This is not that dissimilar to 1995, when people started talking about the potential of the internet . . . Slowly but gradually it becomes a career risk to ignore this. If you don't have technology in your equity portfolio, you might actually miss a structural move in the markets."

Investors were also watching developments in Washington, where policymakers signaled they were inching towards a deal on raising the US debt ceiling before a June deadline to avoid an unprecedented government default.

"In politics as well, if markets start to sell off because we get uncomfortably close to the deadline, clearly politicians will start to change behaviour," said van den Heiligenberg.

Meanwhile, Treasury yields rose as traders upped their bets that the US Federal Reserve would continue to increase interest rates as the central bank's preferred measure of inflation came out hotter than expected in April.

The core personal consumption expenditures index climbed 0.4 per cent in April, surpassing expectations that it would match its 0.3 per cent rise in March.

The yield on policy-sensitive two-year Treasuries edged up to 4.56 per cent as the debt sold off.

Across the Atlantic, the region-wide Stoxx Europe 600 equities index added 1.2 per cent as did the CAC 40 in Paris. London's FTSE 100 rose 0.7 per cent.

Turkey's lira fell to TL20 against the US dollar for the first time in the latest sign of mounting pressure on the country's economy ahead of Sunday's run-off election. **Daria Mosolova**

Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4195.68	1829.24	30916.31	7627.20	3212.50	110836.74
% change on day	1.07	1.21	0.37	0.74	0.35	0.71
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	103.879	1.071	140.495	1.233	7.055	5.009
% change on day	-0.357	-0.186	0.501	-0.081	-0.183	0.140
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.834	2.538	0.417	4.459	2.758	11.353
Basis point change on day	5.180	1.800	-0.780	-4.700	1.600	-0.300
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	430.28	76.76	72.54	1948.25	23.01	3599.80
% change on day	0.94	0.66	0.99	-1.09	-1.75	1.00

Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

S&P 500 index

Eurofirst 300 index

FTSE 100 index

Biggest movers

%	US		Eurozone		UK	
Ups	Arista Networks	7.66	Continental	4.33	Rio Tinto	3.51
	Digital Realty Trust	7.44	Asml Holding	4.28	M&g	3.28
	Monolithic Power Systems	7.20	A.p. Moller - Maersk B	3.69	Antofagasta	2.93
	Broadcom	6.65	Infineon Tech	3.69	Anglo American	2.27
	Ford Motor	6.46	Lvmh	2.62	Endeavour Mining	2.24
Downs	Ulta Beauty	-12.24	Casino Guichard	-8.43	Land Securities	-2.51
	Eversource Energy	-3.80	Klepierre	-1.87	Vodafone	-1.96
	Medtronic	-2.51	Rwe	-0.92	British Land	-1.93
	Coterra Energy	-2.40	Fresen.med.care	-0.84	Frasers	-1.68
	Everest Re Ltd	-2.16	Ses	-0.80	Taylor Wimpey	-1.49

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

Chipmaker **Marvell Technology** surged, hot on the heels of Nvidia's rally earlier this week that was triggered by buoyant revenue projections linked to artificial intelligence.

Matt Murphy, chief executive, said AI had "emerged as a key growth driver" for Marvell, leading him to expect AI revenue for his fiscal 2024 year "to at least double from the prior year and continue to grow rapidly in the coming years".

In the top half the S&P 500 index was auto group **Ford**, which said it had struck a deal with **Tesla** to provide its electric-car customers with access to more than 12,000 Tesla superchargers across the US and Canada.

This would double the number of fast-chargers available to Ford EV drivers starting from Spring next year.

Elon Musk's electric-car group also rallied.

Sinking to the bottom of the blue-chip benchmark was **Ulta Beauty**, despite posting first-quarter earnings and sales above Wall Street estimates.

But the cosmetics and fragrance group trimmed its operating margin target to 14.5-14.8 per cent for its fiscal 2023 year, down from 14.7-15 per cent, partly because of "higher inventory shrink [stock losses]" and elevated supply chain costs, it said. *Ray Douglas*

Europe

France's **Coface**, a credit insurance company, rallied after achieving a 17 per cent year-on-year jump in net income of €61.2mn in the first quarter.

What stood out for Berenberg was Coface's low cost ratio — a measure of costs as a proportion of premium income. This fell to 25.7 per cent, helped by a better product mix and high reinsurance commissions.

Dutch chipmaker **ASM International** built on Thursday's rally triggered by Nvidia's blockbuster results.

This time, the catalyst were overnight results from US sector peer Marvell Technology, which forecast a doubling in artificial intelligence revenue this year.

Poland's **InPost** rallied on news that private equity firm Advent International had agreed to sell a 15 per cent stake in the automatic parcel machines group to PPF, a privately held investment company.

The €10 per share deal was more than 6 per cent higher than InPost's most recent closing price. Advent would remain the largest shareholder with a 50.3 per cent stake.

Schoeller Bleckmann, an oil and gas equipment manufacturer, was buoyed by Berenberg lifting its rating from "hold to "buy" — owing to a "stronger outlook" for its advanced manufacturing and services unit. *Ray Douglas*

London

Near the top of the FTSE 250 index was **Tullow Oil**, which rallied following reports that Indian state-run energy companies were in talks with the exploration group to buy a stake in its Kenya project.

Ranjit Rath, Oil India chair, reportedly told media: "All I can say is some discussion is going on" — without disclosing further details.

In the bottom half of the mid-cap index was **IntegraFin**, the investment platform for financial advisers and their clients.

It reported "stronger than anticipated interest income" of £2.2mn for the half year to March 31, noted Panmure Gordon, topping the broker's £700,000 estimate.

But Panmure warned that, while such income was "entirely valid" after a decade without interest rates, it did not "make for the strongest of investment cases".

Online gaming and sports betting group **XLMedia** sank to an all-time low after warning that first-half US revenue would be below the same period from a year earlier.

David King, chief executive, said he expected the "current softness . . . to continue across the early summer" while the second half would be bolstered by "a return to significant investment in customer acquisition" and the launch of products in the run-up to the National Football League season. *Ray Douglas*

On Wall Street

Buffett's intriguing bet on Japan's sogo shosha

Mark Vandevelde

Warren Buffett's long record of picking winners made him a welcome presence last month in Tokyo. A recent move to increase the stakes held by Berkshire Hathaway in five general trading companies has been hailed as a vote of confidence in the country's long-ailing corporate sector.

Buffett, who began accumulating stakes in the so-called *sogo shosha* three years ago, sees the shareholdings as a bet on a handful of neglected enterprises that are set to make attractive profits.

In between audiences with some of the country's leading businessmen, the famed investor found time to expand on his impressions. "I'm just astounded," he said of the five companies in which he now owns an identical 7.4 per cent stake. "They're all different and they're all the same at the same time."

It is not easy to supply a more informative description of Japan's trading companies. Each is a globe-spanning corporate empire of baffling diversity, encompassing such disparate activities as apparel design, convenience store retailing and construction.

One thing that all five companies have in common, however, is a focus on commodities trading — a fact that makes their cash flows unusually sensitive to the value of the dollar, as well as to the price of commodities such as minerals, grain and oil.

The foreign currency earnings of the *sogo shosha*, backed by hard commodities from sources around the world, set the trading groups apart from companies with revenues and costs that depend more heavily on prices in domestic markets.

They create multiple ways for Buffett to profit from his investment, even if the trading companies' vaunted plans to reinvent themselves for a world without fossil fuels do not proceed as planned.

Among the most tantalising is the fact that Buffett has bought shares in companies that earn a portion of their profits in dollars, while funding his purchase with long-term debt denominated in yen.

If the Japanese currency were to depreciate, the dollar value of Berkshire's outstanding yen-

> Foreign currency earnings set the trading groups apart from companies that rely on domestic markets

denominated debt would fall. At the same time, the value of the *sogo shosha* stakes in dollar terms may not decline so much because of their foreign currency earnings.

If the value of the debt falls more than the shareholdings, then Buffett could reap a profit even without much change in underlying business performance.

It is surely not Buffett's intent to bet against the yen. And using borrowed money to buy stock in companies with significant foreign earnings is not, of course, the most practical way to do this.

Set that misgiving aside, if only for a thought experiment, and you can see how a trade like Buffett's might in theory look attractive to a very different kind of investor.

Speculators of an atavistic bent are eyeing the monetary institutions of the developed world with increasing suspicion. Gold is trading near all-time highs and, while a rupture in the systems of economic exchange may not be anyone's base case, it lies uncomfortably close to the universe of historical possibility.

Ray Dalio, the Bridgewater founder whose investments are informed by a close reading of economic history, notices a striking pattern in the rise and fall of the "reserve currency empires" of the past 500 years. Throughout that time, he writes, "seismic shifts always took the form of too-large debts that couldn't be paid with real money so there was a lot of printing of money". That, in turn, "led to big debt restructurings via writing down and monetising debt".

Such prospects seem remote in Japan, which has navigated the highest ratio of public debt to gross domestic product in the G7, enduring a stagnant economy but no serious upheaval.

For much of that time, its central bankers have tried to kindle the kind of low but steady inflation that propelled economies in the industrial west.

Despite trillions of dollars worth of bond purchases and years of negative interest rates, price rises had until recently proved elusive. Monetary policy is now expected to tighten.

Buffett is no doubt more focused on the trading companies' increasing profits than any possibility of currency arbitrage. With the possible exception of King Midas, whose mere touch could turn objects into gold, it is hard to think of anyone who seems as temperamentally unsuited to selling any financial asset short.

Yet investors are judged by the money they make rather than the stories they tell. When a sage like Buffett stakes his fortune, it is worth paying attention to the circumstances that would make his bet pay off.

mark.vandevelde@ft.com

Twitter: @FTLex

Lex.

Lazard: Peter's friends

For 175 years Lazard has had crises and challenges. Now it has a new leader, Peter Orszag, to help push it through an evolving competitive environment and tricky global economy.

Lazard is an advisory and asset-management firm, unencumbered by the balance sheet and proprietary trading arms of bulge-bracket rivals. It is global, unlike most independent firms. It has a US listing, deep roots in France and the UK and now a serious presence in more than 20 countries.

There is no resting on laurels in high finance. Despite its illustrious history, Lazard's *déjeuner* has increasingly been snatched by US-focused upstarts.

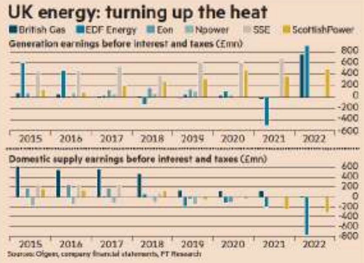
In 2022 Lazard's advisory business generated $1.65bn, up from $1bn a decade earlier. Compound revenue growth of near 5 per cent a year does not look too shabby. But that pales in comparison with the sector's high-flyer, Evercore. The firm powered past Lazard in 2022 with $2.4bn of dealmaking revenues. It has proved more profitable, too, reflecting the operating leverage of a human capital business. Over the past 12 years, Lazard's shares have trod water while Evercore's have nearly tripled.

Evercore's trajectory can be traced to founder Roger Altman's strength of personality as well as his skill at selecting bankers. Orszag does not yet have a deep Wall Street pedigree. But he could attract bankers intrigued by his political star quality.

Lazard's franchise has evolved over 175 years. By contrast, the fortunes of upstart boutiques such as Evercore are often tied to their founders. This puts them at risk from generational change. Greenhill, which this week sold itself for a fraction of its stock market high years ago, provides a cautionary tale.

Orszag's ability to influence the stock price may be limited by broader market forces out of his control. Still, some big early wins in recruitment, deal mandates or just fresh thinking about Lazard's two businesses could get all its stakeholders excited again.

UK energy: turning up the heat



Sources: Ofgem, company financial statements, FT Research

Energy bills for British households are falling. But flames of indignation at energy company profits still burn.

Energy regulator Ofgem announced this week new caps on the prices per unit of electricity and gas suppliers can charge from July. A typical annual household bill will fall to £2,074. This had previously been £2,500, government subsidies included.

Trade unions and campaigners responded with an attack on Ofgem for not addressing energy companies' "profiteering".

The difficulty is that not all energy companies are equal. Out of three large companies that still strip out their domestic supply earnings — British Gas, EDF and ScottishPower — only the first was in the black for 2022. But divisions such as electricity generation had a bumper year.

For small groups focused solely on domestic supply, sharp rises in wholesale prices were catastrophic. More than 30 went bust from 2021.

Suppliers complain the cap prevents fair profits. Ofgem has responded with plans to change profit margin allowances. Currently these are set at 1.9 per cent. It plans a new variable element.

Assuming a typical annual bill remains at around £2,100 from October, the amount customers would pay towards suppliers' earnings would rise by £10 to £47 per customer under the proposals.

For British Gas-owner Centrica, this could mean additional earnings before interest and taxes of £56mn, estimates Jefferies.

Expect ire at the sector's finances to take a long time to burn out.

Air conditioning: second wind

Cool air is in hot demand. Even before the start of summer, Asia has been hit by record temperatures as high as 49 degrees Celsius. As rising incomes allow more people to alleviate the misery, air-conditioning makers can expect a surge in sales.

Japanese officials yesterday expressed concern over the number of deaths due to heatstroke in recent years. In Tokyo, around 90 per cent of those who died last summer had not used air conditioning, according to the government. It wants to set up cooling shelters and encourage the elderly to use air conditioning.

Singapore, India, Vietnam and Thailand have faced similar issues as they endured scorching temperatures this year. The answer has been simple: buy more air conditioners.

Longer term, it is not so straightforward. Globally, the use of air conditioners and electric fans accounts for about a tenth of all electricity usage. Much of that is sourced from fossil fuels in Asia, releasing carbon dioxide that heats the atmosphere. But the risks to people's lives and economic productivity need urgent fixes, even if they worsen the underlying problem.

Manufacturers have been under the weather recently. Shares of the largest Chinese air-conditioner makers Midea and Gree have halved from a 2021 peak. Midea trades at 11 times forward earnings, less than half the levels three years ago. The pair, along with local peer Haier Smart Home, did well for many years as average Chinese household income surpassed $10,000 in 2011. But their growth stagnated as the largest cities reached saturation. Japan's Daikin and South Korea's LG reached that point much earlier.

Households typically need an average income of $10,000 to afford air conditioning. That excludes many of those worst hit by rising temperatures. But a growing middle class in South Asia will stoke demand for cool air. Expect that to lift the fortunes of equipment makers.

US airlines: no lift from travel boom

For US airlines, summer is the Super Bowl of travel seasons. All signs suggest this could be a record season.

The number of passengers moving through airport checkpoints surpassed 2.65mn on Thursday, the most in a single day since November 2019. Industry group Airlines for America reckons 256.8mn people will fly between June and August — a new high. Meanwhile, pricing for airfares remains high.

This should be good news for America's biggest airlines. Yet shares in Delta, American, United and Southwest are down between 5 per cent and 13 per cent over the past three months, compared with a 4 per cent gain for the S&P 500. The losses are even steeper over a 12-month period. Valuations remain low, with the four airlines trading between four to nine times forward earnings. The average for the S&P 500 is around 18 times. Short interest in the sector is at a one-year high, according to TD Cowen.

More passengers does not automatically mean more profits. While jet fuel prices are about a third lower compared with a year ago, labour costs have gone up. Moody's expects airline labour costs to increase 19 per cent this year and another 8 per cent in 2024. Carriers rebuilding staffing levels following the pandemic are agreeing significant pay rises in contract negotiations. These are fixed costs that will not go down for several years. At Delta, for example, profits are forecast by Wall Street to more than double to $3.5bn this year. But that would still be below the $4.7bn it made in 2019.

Hefty interest expenses are also keeping a lid on earnings. Airlines issued substantial debt during the pandemic and the industry is highly leveraged. US mainline and regional airlines spent $9.2bn on interest expense and aircraft rentals last year, according to TD Cowen, compared with $5.9bn in 2019. This, along with recession fears, will keep airlines shares grounded.

Lex on the web
For notes on today's stories go to www.ft.com/lex

Deficits can matter in specific financial circumstances

Philip Coggan

The Long View

Deficits don't matter. This quote comes not from some spendthrift European socialist but reputedly from the distinctly conservative Dick Cheney, vice-president of the US from 2001 to 2009.

According to an account by former Treasury secretary Paul O'Neill, in 2002 Cheney cited the Reagan administration as evidence for his thesis; the national debt tripled on the Republican's watch in the 1980s but the US economy boomed and bond yields fell sharply.

In the 20 years since Cheney's remark, US federal debt has roughly doubled as a proportion of gross domestic product. But 10-year Treasury bond yields are no higher than they were two decades ago; indeed they have spent much of the intervening period at much lower levels, even as debt has soared.

The continuing brouhaha over the US debt ceiling has nothing to do with the willingness of markets to buy American debt any everything to do with the willingness of politicians to honour their government's commitments.

However, Cheney's sentiments have not always been borne out elsewhere. Over the past nine months, the UK government has discovered the problems that can occur when funding costs suddenly increase. And that has rekindled the debate over the ability of governments to run prolonged deficits.

In one camp are the spiritual descendants of Margaret Thatcher, the former British prime minister who sought to balance budgets, arguing "good Conservatives always pay their bills". Modern budget hawks often say governments should not pass on the burden of debt repayment to the next generation.

Many also argue that budget deficits are caused by excessive government spending and that reducing this spending is not only prudent but will fuel economic growth. In the other camp are the majority of economists, who argue that, unlike individuals, governments are in effect immortal and can rely on inflation, or future generations, to pay down their debts.

They point out that government debt, as a proportion of GDP, was very high (in the US and UK) in the aftermath of the second world war. That debt proved no barrier to rapid economic growth.

Furthermore, ageing populations in the developed world mean there has been a "savings glut" as citizens put aside money for their retirements, making it easy to fund deficits.

But the freedom of governments to issue debt comes with a couple of caveats. First, a country must be able to issue debt in its own currency. Many a developing country has discovered the dangers of issuing debt in dollars. If that country is forced to devalue its currency, then the cost of servicing the dollar debt soars. Secondly, countries need a central bank that is willing to support its government by buying its debt.

> Certain conditions mean there is plenty of scope for future governments to get into trouble

The quantitative easing programmes of such buying has undoubtedly made it easier for governments to run deficits.

In the eurozone crisis of 2010-12, deficits did matter for countries such as Greece and Italy. Their bond yields soared as investors feared the indebted countries might be forced to leave the eurozone. This would have forced governments to default, or try to re-denominate the debt into their local currency.

Greece turned to neighbours for help but found other countries were unwilling to provide required support unless Athens reined in its budget deficits.

To many Eurosceptics, that proved the folly of joining the single currency. Britain was free of such constraints since it issued debt in its own currency and had a central bank that would undertake QE. Given those freedoms, the financial crisis of last autumn that followed the "mini" Budget proposed by the shortlived Liz Truss administration, was even more of a shock.

While Truss tried to echo Thatcher's imagery, she rejected the budgetary prudence of the Treasury as "abacus economics". She argued that slashing taxes would lead to faster economic growth so that the deficit would disappear of its own accord as government revenues rose. But the markets did not swallow the argument.

The "mini" Budget was followed by a spectacular sell-off in sterling and UK government bonds. The latter may have stemmed from the leveraged bets made by British pension funds on bonds. Still, the Truss team's economic analysis failed to account for this possibility.

Investor confidence in British economic policy had already been dented by the Brexit vote and by the rapid turnover of prime ministers and chancellors.

The problem has not gone away. Data released this week showed Britain was still struggling to contain inflation and gilt yields jumped back towards the levels reached after the "mini" Budget.

So Cheney's aphorism needs amending. Deficits don't matter if the government borrows in its own currency and also has a friendly central bank, a steady inflation rate and the confidence of the financial markets.

It also requires a continuation of the global savings glut. Those conditions mean there is plenty of scope for future governments to get into trouble.

Philip Coggan is a financial journalist and author of 'More: The 10,000-Year Rise of the World Economy'

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
1.07%	1.86%	0.84%	0.74%	1.21%	0.37%	-1.93%	0.94%	-0.186%	-0.081%	0.501%	-0.230%	1.04%	-1.09%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

Country	Index	Latest	Previous
[illegible]	[illegible]	[illegible]	[illegible]

STOCK MARKET: BIGGEST MOVERS

[illegible]	[illegible]	[illegible]	[illegible]

UK MARKET WINNERS AND LOSERS

[illegible]	[illegible]	[illegible]	[illegible]

CURRENCIES

[illegible]	[illegible]	[illegible]	[illegible]

FTSE ACTUARIES SHARE INDICES

[illegible]	[illegible]	[illegible]	[illegible]

FT 30 INDEX

[illegible]	[illegible]	[illegible]	[illegible]

FT WILSHIRE 5000 INDEX SERIES

[illegible]	[illegible]	[illegible]	[illegible]

FTSE SECTORS: LEADERS & LAGGARDS

[illegible]	[illegible]	[illegible]	[illegible]

FTSE GLOBAL EQUITY INDEX SERIES

[illegible]	[illegible]	[illegible]	[illegible]

FTSE 100 SUMMARY

[illegible]	[illegible]	[illegible]	[illegible]

UK STOCK MARKET TRADING DATA

	May 26	May 25	May 24	May 23	May 22	Yr Ago
Order Book Turnover (m)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Order Book Bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Order Book Shares Traded (m)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Equity Turnover (£m)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Mkt Bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Shares Traded (m)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavailable. (c) Market closed.

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UK RIGHTS OFFERS

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

[illegible]	[illegible]	[illegible]	[illegible]

UK RECENT EQUITY ISSUES

[illegible]	[illegible]	[illegible]	[illegible]

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT 500: TOP 20

[illegible]

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

[illegible]

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

[illegible]

BONDS: GLOBAL INVESTMENT GRADE

[illegible]

INTEREST RATES: OFFICIAL

[illegible]

INTEREST RATES: MARKET

[illegible]

BOND INDICES

[illegible]

VOLATILITY INDICES

[illegible]

BONDS: BENCHMARK GOVERNMENT

[illegible]

GILTS: UK CASH MARKET

[illegible]

GILTS: UK FTSE ACTUARIES INDICES

[illegible]

COMMODITIES

[illegible]

BONDS: INDEX-LINKED

[illegible]

BONDS: TEN YEAR GOVT SPREADS

[illegible]

Tradeweb

Data provided by Morningstar | www.morningstar.co.uk

POWERED BY MORNINGSTAR

FINANCIAL TIMES SHARE SERVICE

Main Market

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol '000s
Aerospace & Defence							
Automobiles & Parts							
Banks							

AIM

Investment Companies

Guide to FT Share Service

For queries about the FT Share Service pages e-mail ft.reader.enquiries@morningstar.com

All data is as of close of the previous business day. Company classifications are based on the ICB system used by FTSE (see www.icbenchmark.com). FTSE 100 constituent stocks are shown in bold.

Closing prices are shown in pence unless otherwise indicated. Highs & lows are based on intra-day trading over a rolling 52 week period. Price/earnings ratios (PER) are based on latest annual reports and accounts and are updated with interim figures. PER is calculated using the company's diluted earnings from continuing operations. Yields are based on closing price and on dividends paid in the last financial year and updated with interim figures. Yields are shown in net terms; dividends on UK companies are net of 10% tax, non-UK companies are gross of tax. Highs & lows, yields and PER are adjusted to reflect capital changes where appropriate.

Trading volumes are end of day aggregated totals, rounded to the nearest 1,000 shares.

Net asset value per share (NAV) and split analytics are provided only as a guide. Discounts and premiums are calculated using the latest cum fair net asset value estimate and closing price. Discounts, premiums, gross redemption yield (GRY), and hurdle rate (HR) to share price (SP) and HR to wipe out (WO) are displayed as a percentage. NAV and terminal asset value per share (TAV) in pence.

- ♥ FT Global 500 company
- • trading ex dividend
- ■ trading ex capital distribution
- # price at time of suspension from trading

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Saturday 27 May / Sunday 28 May 2023

Life&Arts
FTWeekend

Martin Amis
A writer of style – and substance
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On the road with VW's electric campervan
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Whipping up a storm
Tales of Westminster's partying politics
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Can AI make me a star?

As vocal clones of pop's biggest names go viral, *Ludovic Hunter-Tilney* goes on an unlikely quest to replicate the voice of his favourite singer

Like a turkey dozing off when talk turns to Christmas, I confess to tuning out when talk turns to AI. Or rather I used to, until a few weeks ago. Before then, AI seemed vital and foreboding, yet somehow also remote and incomprehensible. But now my attention is hooked. The difference lies in the no-longer-unique sound of the human voice.

Deepfake vocal clones are here. The technology behind them isn't new, but rapid advances in accuracy and availability have made AI-generated voice copying go viral this year. Microsoft's Vall-E software claims to be able to mimic a person based on just three seconds of audio. Although it hasn't yet been released to the public, others with similarly powerful capabilities are easily obtained.

A flashpoint came in January when tech start-up ElevenLabs released a powerful online vocal generator. Faked voices of celebrities immediately flooded social media. Swifties on TikTok concocted imaginary inspirational messages from Taylor Swift ("Hey it's Taylor, if you're having a bad day just know that you are loved"). At the other end of the spectrum, 4chan trolls created fake audio clips of celebrities saying hateful things.

Other voice generators duplicate singing as well as speech. Among the countless mock-ups circulating on social media is a synthetic but convincing-sounding Rihanna covering Beyoncé's "Cuff It". Digitally resurrected foes Biggie Smalls and Tupac Shakur make peace in a jointly rapped version of Kanye West and Jay-Z's "N****s in Paris". In April, a track called "Heart on My Sleeve" became the first voice-clone hit, notching up millions of streams and views. Purportedly made by a mysterious figure called Ghostwriter, it's a duet featuring AI-generated versions of Canadian superstars Drake and The Weeknd.

Illustration by Raj Dhunna

Below: Rihanna, whose voice has been convincingly mimicked by voice generation; and Tom Waits, the singer Hunter-Tilney seeks to imitate

Kohjiro Kinno/Getty Images; Kee Shung

The lyrics resemble a bad parody of the pair's real work. "I got my heart on my sleeve with a knife in my back, what's with that?" the fake Drake raps, evidently as mystified as the rest of us. But the verisimilitude of the vocals is impressive. So realistic are they that there has been groundless speculation that the whole thing is a wormhole publicity stunt in which the two acts are supposedly pretending to be their AI-created avatars.

"Heart on My Sleeve" was removed from streaming platforms after a complaint from the artists' label, Universal Music Group, although it's simple enough to find online. A murky legal haze covers vocal cloning. The sound of a singer's voice, its timbre, doesn't have the same protection in law as the words and melodies they're singing. Their voice might be their prize asset, but its sonic frequency isn't theirs to copyright. Depending on its use, it appears that I am at liberty to make, or try to make, an AI model of my favourite singer's inimitable tones.

Unlike the famous rappers and pop stars who are the typical targets for cloning, my choice is a vintage act: Tom Waits, a gravelly mainstay of my musical life since my student days.

Now 73, the Californian singer-songwriter released his first album 50 years ago. His songs have been succinctly characterised by his wife and collaborator Kathleen Brennan as either "grim reapers" that clank and snarl and brawl or "grand weepers" that serenade and bawl. Take note, AI Drake and AI The Weeknd, this is real heart-on-sleeve stuff.

Aside from my being a fan, a reason to pick him is his distinctive singing style, a cataract roar to rival Niagara Falls. Another is the frustrating absence of any new music from him: his most recent album came out in 2011. I therefore set myself the challenge of using online generative tools to create a surrogate for the real thing, a new song that will endeavour to put the AI into Tom Waits.

As with any unfamiliar task these days, the first port of call is a YouTube tutorial. There I find a baseball-hatted tech expert from the US, Roberto Nickson, demonstrating the power of voice generators with an uncanny Kanye West impression that went viral at the end of March. He chose the rapper's voice because he's a fan, but also as it was the best voice model that he could find at the time.

Set to a Ye-style beat that he found on YouTube, Nickson's Ye-voiced verses make the rapper seem to apologise for his shocking antisemitic outbursts last year. "I attacked a whole religion all because of my ignorance," Nickson raps in the vocal guise of Kanye. (In reality, the rapper offered a sorry-not-sorry apology last year in which he said he didn't regret his comments.) "When I made that video, these machine-learning models were brand new," Nickson tells me in a video call, sitting behind a microphone in his filming studio in Charlotte, North Carolina. The 37-year-old is a tech entrepreneur and content creator. He came across the Kanye voice model while browsing a Ye-inspired music-remix forum called Yedits on the internet site Reddit.

"It was a novelty, no one had seen it," he says of the AI-generated Ye voice. "Like, the tutorial had about 20 views on YouTube. And I looked at it and went, 'Oh my God.' The reason I knew it was going to be huge wasn't just that it was novel and cool, but also because the copyright conversation around it is going to change everything."

Ethical questions are also raised by voice cloning. Nickson, who isn't African-American, was criticised online for using a black American voice. "I had a lot of comments calling it digital blackface. I was trying to explain to people, hey look, at the time this was the only good model available."

> A singer's voice might be their prize asset, but its sonic frequency isn't theirs to copyright

Elsewhere on his YouTube channel are guides to making your own celebrity voice. Led by his tutorials, I enrol as a member of an AI hub on Discord, the social-media platform founded by computer gamers. There you can find vocal models and links to the programming tools for processing them.

These tools have abstruse names like "so-vits-svc" and initially look bewildering, though it's possible to use them without programming experience. The voice models are formulated from a cappella vocals taken from recordings, which are turned into sets of data. It takes several hours of processing to create a convincing musical voice. Modellers refer to this as "training", as though the vocal clone were a pet.

Amid the Travis Scotts and Bad Bunnies on the Discord hub is a Tom Waits

Continued on page 2

Right on the money

The late Martin Amis devoted half a century to disproving the notion that stylish writing lacks substance and truth. By *Janan Ganesh*

Here is a passage from Tony Blair's chatty, undemanding and therefore un-Amisian memoirs:

"It's like when people say to me: 'Oh, so-and-so, they don't believe in anything, they're just a good communicator.' As a statement about politics, it's close to being an oxymoron . . . If you don't have core beliefs as a politician, real path-finding instincts groomed out of conviction, you will never be a good communicator because — and this may seem corny, but it's true — the best communication comes from the heart."

In other words, style is substance. Or at least the two things are harder to separate than people pretend. The idea that Blair was a shallow smoothie and Gordon Brown a deep but tongue-tied man is primitive analysis. If Brown struggled to communicate, it was precisely because he was a weathervane, a news-driven tactician, forever second-guessing a tabloid audience here, a liberal one there. *Who am I meant to be today?*

Martin Amis devoted half a century to making a version of this argument. (His debut novel, *The Rachel Papers*, came out 50 years before his death last week). No writing is "just" stylish, he thought. If a sentence gives the reader pleasure, it is because it contains moral or psychological truth. How about this, from *London Fields*, about a miserable marriage:

"When Hope called his name — 'Guy?' — and he replied *Yes?* there was never any answer, because his name meant *Come here*." I found that slick and graceful enough at 25. Now, with marriages going to seed all around me, it is the insight, the penetration, that makes me smile/wince. A good joke will often elicit a "how true" just after it elicits a "ha ha".

Amis's career might best be understood as a prolonged reply to George Orwell. ("The man can't write worth a damn," he said, according to Christopher Hitchens, though his view would mellow.) Orwell's plain prose is still hailed as a mark of integrity and clear-sightedness: of the English aversion to bullshit. Except, as his biographers record, with varying degrees of tact, he wasn't *that* averse. We still don't know if he shot that elephant in Burma. Pressed on an alleged fabrication, he is said to have defended it as "essentially true". As for clarity of vision, *Nineteen Eighty-Four*, his account of a future Britain, was, and this isn't said enough, amazingly wrong. (Unless you are the kind of person who shakes a rueful head at CCTV cameras and mutters "He saw it coming".)

The point isn't that Amis, a fine comic writer, and Orwell, a great man of the 20th century, are equal. It is just that Amis had the better argument on style. There is no causal link between outward plainness and inner wisdom. And the belief otherwise can land entire societies in trouble. Take Back Control. Get Brexit Done. Make America Great Again. It was simple prose that led mature democracies astray over the past decade.

How did Theresa May, that sphinx without a secret, become prime minister? Because the British political class assumed that someone so nondescript must have hidden depths. It was the Brown error again. This happens in workplaces all over the world. I am afraid it happens in journalism. A spurious weight is accorded to the drab and the plodding. *This writing must be serious. It's awful.*

By the way, none of this means you have to find Amis's own work stylish. All those adverbs ("vigorously tousled", "appreciably crappier") can seem a bit undergraduate once you discover a Cormac McCarthy or a John Banville: writers who work hard for their effects, who never state what they can evoke. The point is that Amis was right *about* style, about its inseparability from content.

He wrote less and less about sport as he aged but Amis always reminded me of Pep Guardiola, another man accused by the British of needless elaboration. It has taken his total conquest of domestic football to show how much rigour and seriousness (and petro-wealth) underlies the surface glitter. You play the ball out from the back to lure the other team in, not to make an aesthetic statement. You hog possession as the best form of *defence*, not attack. Now give me that fifth Premier League title out of six, and don't call me a show-off.

From top: Martin Amis in 1991, around the publication of 'Time's Arrow'; Kingsley Amis listening to his son Martin while his wife Hilary and daughter Sally look on
Sophie Bassouls/Getty Images; Daniel Farson

Amis said that writers die twice. First, the talent goes. Then the body does. So when did the talent reaper come for him? It is clear that something changes after *The Information* in 1995. His ear for street slang clogs up. So good at capturing the texture of London and New York in their soiled, dangerous 1980s phase, he was at a loss when each became a sanitised boom town. In *Lionel Asbo*, published in 2012, he goes ahead and pretends nothing has changed.

Glitches that were always there became more pronounced. He was enthusiastic but not original about America. (Do you know that people over there often carry a bit of timber?) In the 1980s, someone seems to have apprised him of the existence of nuclear weapons. That bee took too long to leave his bonnet. But no accusation dogged him so much as that of sexism. He had a workable defence that men in his books come off even worse. His greatest creation, Keith Talent, is a pub low-life who deals in stolen goods and sports-speak. ("Pressure? He fucking *thrives* on it.") But the physical scrutiny wasn't the same. Pervading the early books is a sense, quite recurrent in the canon of British entertainment, that the female body is a hoot. Imagine *Little Britain* set to prose.

In the end, for all his Atlanticism, he couldn't overcome his nationality. Amis argued that Britain's coping tactic after the loss of empire was to embrace trivia. If we can't run the world, we're going to treat the whole thing as a joke. It remains the acutest thing I have heard on the subject of our decline. And he was saying it long before Boris Johnson giggled his way to the top. The curious thing here — to be all meta about it — is that Amis himself was an example of the phenomenon he described. A man who had it in him to write in a major register kept going back to the comic grotesque. He couldn't say no to a joke. Would that have been so true had he been born American or Indian?

His funny bones cost him prizes. (Comedies don't win Bookers, any more than they win Oscars.) It might have cost us, though we can't know, some grand work.

"Why is the death of Amis so visceral for a certain type of man?" That isn't a headline in a newspaper arts supplement. That is a text from a banker friend last weekend. Others who got in touch: a lobbyist, a football executive, a civil servant, someone in marketing. Which other "literary" novelist (Amis wasn't a huge seller) would elicit this kind of response from men in non-artistic lines of work? Not Julian Barnes, though I think he wrote a book or two that will outlast any of Amis's. Not Kazuo Ishiguro, who had won more awards by 35 than Amis ever would. Not Ian McEwan, who, now that he has outlived Hilary Mantel, might be the last serious novelist with nationwide name recognition.

So why "Mart"? I think, for men reared before YouTube, before Jordan Peterson and wall-to-wall life advice, he served a sort of mentor function. Pick a male rite — sex, fatherhood, sporting failure — and Amis said the truest thing about it. He even saw through the eternal lie that male friends don't talk to each other about their inner lives: that it's all film recommendations and Declan Rice transfer rumours with us. I am afraid I am going to have to get up on my hind legs about this. There are at least 10 men with whom I can and do discuss anything, to the nth degree, as Amis and Hitchens are now doing in some celestial trattoria. That isn't universal, no. But, looking around, it isn't so exotic either.

Amis always reminded me of Pep Guardiola, another man accused by the British of needless elaboration

For illuminating this and other truths about life, Amis did feel like something of an older brother, handing down insights as prolifically as clothes. Such as? Being a good egg isn't enough in this world. "Alpha" is a state of mind, not body. (Amis was far from strapping.) No, it's not like that, it's like this. As advice goes, it was cold and bleak. Such was Peak Amis. But the arrival of Late Amis brought a mellower kind of counsel. On your deathbed, he writes in *The Pregnant Widow*, the only thing you will care about is "how it had gone" in matters of the heart. So get a lot in. And make sure it sticks in the hippocampus. This is Amis talking to *Esquire* about the advice he gives to his sons:

"I say to them, when you are in love affairs and sex, make sure you clench it in the list of your mind, so you remember it later. It becomes very important in your late fifties and early sixties; you spend quite a lot of time in the past, thinking of those moments . . . So I instruct the boys; it's like a pension for when they're old."

Romantic memories as a pension: an asset that you live off in late life. It is a stylish line. But it is also a true one. How Amis would have resented that "but".

Can AI make me a star?

Continued from page 1

voice. It's demonstrated by a clip of the AI-generated Waits bellowing a semi-plausible version of Lil Nas X's country-rap hit "Old Town Road". But I can't make the model work. So my next port of call is a website to do it for me.

Voicify.ai creates voices for users. It was set up by Aditya Bansal, a computer science student at Southampton University. He noticed AI cover songs mushrooming and within a week had his website up and running. Speed is of the essence in a gold rush.

"Because the tech is quite new, there's a lot of people working on it and trying to get a product out, so I had to do it quickly," the 20-year-old says by video call. He has made an AI voice for himself, in the style of the deceased American rapper Juice Wrld, "but my singing voice isn't good so I can't reach the notes." (As I will learn, a degree of musical talent is needed in the world of AI-generated songcraft.)

ChatGPT responds to my request for a song with a game but facepalmy 'Gritty Troubadour's Backstreet'

When we speak, Bansal is a week away from second-year exams for which he hasn't yet started revising. With payment tiers ranging from £8.99 to £89.99, Voicify.ai is proving a lucrative distraction. "It started off pretty much US/UK," he says of its users. "Now I've seen it go worldwide." Record labels have also contacted him, wanting to make models of their artists for demo tracks, which are used as sketches before the full recording process.

He won't put an exact figure on his earnings but his laugh carries a disbelieving note when I ask. "It's a lot," he says, with a smile shading from bashful to gleeful.

Musician Holly Herndon

To create my voice, I go to another site to extract a cappella sound files of Waits singing tracks from his album *Rain Dogs*, which I then feed into Voicify.ai. Several hours later, my AI Waits is ready. I test it with Abba's "Dancing Queen", an MP3 of which I drag-and-drop into the website.

The song re-emerges with the Abba vocals replaced by the AI-generated Waits voice. It starts in a rather wobbly way, as if the Waits-bot is flummoxed by the assignment. But by the time it reaches "Friday night and the lights are low", it's bellowing away with full-throated commitment. It really does sound like Tom Waits covering Abba. Next comes the trickier hurdle of making a new song.

One possible obstacle is the law. In 1990, Waits won a landmark court case in the US against Frito-Lay, manufacturers of Doritos corn chips, for using a gruff-voiced impersonator in an advertisement. Could the same apply to AI vocal clones? The Recording Industry Association of America argues that algorithmic voice training infringes on artists' copyright as it involves their recordings, like my use of *Rain Dogs*' songs. But that can be countered by fair use arguments that protect parodies and imitations.

"If we do get a court case, it will come to whether you're trying to make money from it, or is it a viral parody that you're doing for legitimate purposes?" reckons Dr Luke McDonagh of the London School of Economics, an expert on intellectual property rights and the arts. "If you're doing it to make money, then the law will stop you because you're essentially free-riding on the brand image, the voice of someone else's personality. It will be caught by the law in some way, but it's not necessarily a matter for copyright."

Alas — but perhaps happily from the point of view of legal fees — my AI Waits impression will not trigger a definitive voice-clone update of Waits vs Frito-Lay. The reason lies not in the dense thickets of jurisprudence, but rather the woefulness of my attempted AI-assisted mimicry.

To get lyrics I go to ChatGPT, the AI chatbot released last November by research laboratory OpenAI. It responds to my query for a song in the style of Tom Waits with a game but facepalmy number called "Gritty Troubadour's Backstreet".

"The piano keys are worn and weary,/ As he pounds them with a weathered hand,/The smoke curls 'round his whiskey glass,/A prophet of a forgotten land," runs a verse. This clunky pastiche, produced with incredible speed from analysing Waitsian lyrical matter contained on the internet, conforms to the grand weepie side of the singer's oeuvre.

For the tune, I turn to Boomy, an AI music creator. Since launching in California in 2019, it claims to have generated more than 15mn songs, which it calculates as 14 per cent of the world's recorded music. Earlier this month, Spotify was reported to have purged tens of thousands of Boomy-made songs from its catalogue following accusations about bots swarming the site to artificially boost streaming numbers.

My additions to Boomy's immense pile of songs are undistinguished. To create a track, you pick a style, such as "lo-fi" or "global groove", and then set basic parameters, like the drum sound and tempo. There isn't an option to select the style of a named artist. After fiddling with it to make the music as jazzy as possible, I end up with an odd beat-driven thing with a twangy bass.

There's a button for adding vocals. To my mortification, I find myself hollering "Gritty Troubadour's Backstreet" in my gruffest voice over the weird Boomy music at my computer. Then it's back to Voicify.ai to Waits-ify the song. The results are a monstrosity. My Waits voice sounds like a hoarse English numpty enunciating doggerel. My experiment with AI voice generation has been undone by a human flaw: I can't sing.

Vocify.ai creator Aditya Bansal, photographed for the FT by Hannah Norton

You need musical skill to make an AI song. The voice clones require a real person to sing the tune or rap the words. When a UK rock band called Breezer released an imaginary Oasis album last month under the name "Aisis", they used a voice clone to copy Liam Gallagher but wrote and performed the songs themselves. "I sound mega," the real Gallagher tweeted after hearing it.

Artists are divided. Electronic musician Grimes, a committed technologist, is creating her own voice-mimicking software for fans to use provided they split royalty earnings with her. In contrast, Sting recently issued an old-guard warning about the "battle" to defend "our human capital against AI". After a vocal double imitated him covering a song by female rapper Ice Spice, Drake wrote on Instagram, with masculine pique: "This the final straw AI".

'The first time I heard my husband sing through my voice in real time was very striking and memorable'

"People are right to be concerned," Holly Herndon states. The Berlin-based US electronic musician is an innovative figure in computer music who used a custom-made AI recording system for her 2019 album *Proto*. Her most recent recording is a charmingly mellifluous duet with a digital twin, Holly+, in which they cover Dolly Parton's tale of obsessive romantic rivalry, "Jolene".

Holly+'s voice was cloned from recordings of Herndon singing and speaking. "The first time I heard my husband [artist and musician Mat Dryhurst] sing through my voice in real time, which was always our goal, was very striking and memorable," she says by email. The cloned voice has been made available for public use, though not as a free-for-all: a "clear protocol of attribution", in Herndon's words, regulates usage. "I think being permissive with the voice in my circumstance makes the most sense, because there is no way to put this technology back in the box," she explains.

Almost every stage of technological development in the history of recorded music has been accompanied by dire forecasts of doom. The rise of radio in the 1920s provoked anxiety about live music being undermined. The spread of drum machines in the 1980s was nervously observed by drummers, who feared landing with a tinny and terminal thump on the scrap heap. In neither case were these predictions proved correct.

"Drumming is still thriving," Herndon says. "Some artists became virtuosic with drum machines, synths and samplers, and we pay attention to the people who can do things with them that are expressive or impressive in ways that are hard for anyone to achieve. The same will be true for AI tools."

Pop music is the medium that has lavished the most imaginative resources on the sound of the voice over the past century. Since the adoption of electric microphones in recording studios in 1925, singers have been treated as the focal point in records, like Hollywood stars in close-up on the screen. Their vocals are designed to get inside our heads. Yet famous singers are also far away, secreted behind their barrier of celebrity. Intimacy is united with inaccessibility.

That's why pop stars command huge social media followings. It's also why their fans are currently running amok with AI voice-generating technology. The ability to make your idol sing or speak takes pop's illusion of closeness to the logical next level. But the possessors of the world's most famous voices can take comfort. For all AI's deepfakery, the missing ingredient in any successful act of mimicry remains good old-fashioned talent — at least for now.

Ludovic Hunter-Tilney is the FT's pop critic

Lunch with the FT Jeremy Fleming

'Xi doesn't want to see Putin humiliated'

In six years at the helm of GCHQ, the UK spy chief has steered the agency through an era of escalating cyber threats. Over trout and chocolate tart at London's Science Museum, he talks to *Roula Khalaf* about Russia's appetite for risk, China's race for tech supremacy — and the problem with James Bond

Days before my lunch with Sir Jeremy Fleming, an email lands in my inbox, asking for my food order. Then I am told to be at the exit door of London's Science Museum at the unfashionable time of 11.30am.

The UK's cyber intelligence chief has only days left in the job and is still not leaving anything to chance. The chosen entrance to the museum avoids the crowds of children on school trips; the second-floor café is open on that day only for us, thus the need for a pre-order.

The choice of venue is a deliberate one, placing GCHQ, the signals intelligence agency, in the context of Britain's broader scientific achievements. The museum is where GCHQ celebrated its 100-year anniversary in 2019, with an exhibition that traced its history of code-breaking from Bletchley Park to today's cyber activities.

Before we head up to the restaurant, we take a whistle-stop tour of the museum's display of early precision and measurement tools made in London in the 18th century, clearly one of Fleming's favourite spots. As he scrutinises the instruments, he tells me about the agency's "poachers and gamekeepers", the pure mathematicians who protect secrets and break codes. "We have the largest number of pure mathematicians in the UK," he says proudly.

This nerdy contingent has helped to revolutionise spying: as threats have shifted from the physical to the virtual world, with states and criminal gangs waging combat in dark corners of the internet, GCHQ's profile has been boosted. It is thought to have more staff than its sister agencies MI5 and MI6 and has tight operational links to US intelligence through the Five Eyes relationship. GCHQ has an offensive arm in partnership with the Ministry of Defence, the secretive National Cyber Force, as well as a unit that gives cyber security support to the public and private sectors.

At a time of increased anxiety about surveillance and data privacy, Fleming has sought to lift the veil ever so slightly on GCHQ, speaking publicly about threats and even guest-editing the BBC's morning radio show *Today* last year. In practice, the ability to hoover up data has not changed since the Snowden revelations of mass surveillance programmes a decade ago, but new legislation in 2016 tightened government oversight, and a subsequent transparency drive has meant that GCHQ, like its sister agencies, can no longer hide in the shadows.

Fleming says that polling shows Britain's intelligence agencies consistently enjoy a high level of public trust. "It is one of the bizarre features of the UK system that, in comparison to many of our allies, the intelligence agencies are extremely well trusted by the general public, including in the aftermath of Snowden." It is, at least in part, the James Bond effect. "British spies are wrapped up with a load of film mythology and all these other things that sometimes, mostly for better and sometimes for worse, crowd into our image."

There is only one table set in the row of booths at the café overlooking Exhibition Road. Fleming asked that our meal be served at noon and I already know that wine is not on the menu. He quips that he'd better have water in any case, since he's due to see the prime minister after lunch. In the six years since he was appointed head of GCHQ, Fleming has had to deal with a succession of four prime ministers and five foreign secretaries, though he is quick to stress that none wavered in their support for the intelligence agencies.

GALLERY CAFÉ
Science Museum
Exhibition Road
London SW7 2DD

Grilled sea trout, fennel slaw, new potato and spring onion salad	£20
Smoked chicken, pesto, chickpea and pumpkin seed salad	£20
Dark chocolate and raspberry tart x2	£16
Coffee and petits fours x2	£10
Sparkling water	£2
Still water	£2
Total	£70

The waitress arrives with two plates. Neither of us can remember what we ordered, but I take the smoked chicken with a chickpea and pumpkin seed salad in a pesto sauce and Fleming the grilled sea trout with potato and spring onion salad.

The 56-year-old Fleming is not a typical spy and says he doesn't like to think of himself as one, even if he carries the role well, exuding control and always appearing on alert. He studied economic and social history at Bristol university and trained as a chartered accountant in the City.

While working for Deloitte in its government practice, he was seconded to the Ministry of Defence. "When I turned up, it was MI5. This was one of those sliding door moments that you have in your career . . . when you think, 'well, that's interesting. I'm not going to get a chance to do that again'." It was the early 1990s and Fleming helped MI5 make its finances more transparent to parliament. After he joined the service, he led investigative teams and intelligence collection operations and rose to become deputy director general.

Twenty-five years later, he had another "sliding door moment" when he applied for the job of GCHQ chief after the agency's head Robert Hannigan unexpectedly resigned in 2017. While Fleming had only learnt some basic coding along the way — he says he's not a "natural" — he had experience in leadership. "I shamelessly steal and borrow from others' leadership experience and I've had the benefit of some great mentors and coaches, including, it has to be said, Steve Radcliffe [the leadership coach]."

Fleming's first year was momentous, and a harbinger of what was to come. "We had the dreadful Manchester Arena bombing . . . [the] WannaCry [ransomware attack], the first time we really understood that cyber attacks were going to be at a level where national resilience could be at stake; a subsequent attack later that same year — NotPetya — where the economic implications and Russia's involvement were clear. Then, within that period, we also had the Salisbury attacks, where it was clear that [Vladimir] Putin's Russia had a risk appetite to do things that, frankly, it was hard to believe, including the use of a nerve agent on the UK's homeland."

During Fleming's last year in the job, Putin over-reached with the disastrous invasion of Ukraine. Unusually, the US and UK released deep intelligence to warn of the impending offensive and counter Russian misinformation that could justify it. I ask Fleming why we haven't seen massive cyber attacks from Russia since the invasion. "There's been plenty of cyber in this conflict. The thing that's different is . . . that Ukraine has been very effective in defending itself . . . Ukraine has shown that the defender has agency, and it has reached out and got support from a whole range of like-minded countries."

That the UK has helped Ukraine in its cyber capabilities is not a secret. But what Fleming won't reveal is any detail of operations against Russia that might have involved the UK and made Moscow think twice about escalating its attacks to the levels reached with the NotPetya virus in 2017, which started in Ukraine and then spread worldwide.

Is there an escalatory ladder in cyber, the same as with weapons of mass destruction? Fleming doesn't like the comparison with nuclear deterrence but says that Russia is indeed conscious of escalation risk. "Any state with these sorts of capabilities understands there is escalatory potential in their use."

So far, GCHQ has not seen evidence of Chinese cyber assistance to Russia. "The risk is, as it is on more traditional munitions and military support, that the Chinese state in some of those areas decides that they want to support President Putin's Russia," says Fleming. "President Xi is clear about his friendship without limits [with Putin] so . . . I'm pretty sure he doesn't want to see President Putin humiliated. The danger for him is that he ends up on the wrong side of history on that bit of the bargain."

The smoked chicken was satisfactory and Fleming seems to have enjoyed his trout. He is "a real chocoholic" and tells me that his team gave him a gigantic Toblerone as a leaving gift. So he declares the chocolate raspberry tart that we have both chosen "the perfect pudding".

I ask him whether there's an expanding number of countries with dangerous capabilities. Fleming's list of the four most sophisticated cyber actors includes Iran and North Korea, in addition to Russia and China. But he says that more than 50 states now have cyber capabilities, often procured commercially through companies such as Israel's NSO Group, whose software has been used to spy on journalists, politicians and activists. "The proliferation of cyber capabilities is one of the things that we worry about."

In terms of geostrategic competition, China's ambition to project its power beyond its borders, including in cyber space, poses the greatest challenge to the west. China has been hyperactive in cyber spying and it has hoovered up western technology and science secrets. Unlike in the west, the state rather than the private sector also owns all the data domestically, helping it to innovate more rapidly in areas such as artificial intelligence.

Fleming says that in terms of patents lodged, China is now on a par with the US on some aspects of AI. But the west as a whole still retains a narrow lead. He worries that the debate about the technology race characterises China as only stealing its way to success. "Of course, it has done that in the past and it still tries to steal IP, but it has also invested very heavily in its tech sector and very heavily in the skills to support it. So it is structurally creating advantage from its education system and its investment in research."

He argues that the pandemic and China's attitude have forced a rethinking of dependencies and resilience and accelerated the divide between China and the west, but that it is not an "inexorable" direction. "My hope is that, around the margins, we'll also find ways to co-operate where it's in both our interests to do so."

Surprised by this statement, I suggest that, even on the margins, co-operation seems a distant prospect, given that many in the US political establishment now see conflict with China as inevitable. Fleming is not fatalistic: "While friction is high at the moment, I'm not sure it's a high-water mark."

Fleming says he has been too busy to think about his next job and is taking the summer off. He is being replaced by Anne Keast-Butler from MI5, the first woman to hold the job. Whether by design or accident, there must be a good chance that Fleming will land in the corporate world.

"It's a moment when this convergence of tech and cyber and geopolitics is very interesting beyond national security circles," he says. "My experience is that everyone is talking about it, whether you're in the boardroom or whether you're in government."

More specifically today, every conversation turns around generative AI. Alan Turing, a founding father of AI, was an alumnus of the Government Code and Cypher School — the forerunner to GCHQ — and the algorithms that underpin the technology have long been used by the agency. What is new, says Fleming, is that we are at a "democratisation" moment in the public understanding of AI. "It's probably one of the biggest challenges of our time for government: how to respond in a world where AI provides so much potential to deliver services differently but is also going to provide so many ways in which our adversaries or those who seek to do us harm, including criminals, would be able to take advantage."

His concern is that, while companies that are at the forefront of the technology are engaging more with governments (the relationship has improved since the mid-2000s clashes over access to suspected terrorists' encrypted data), the pace of the conversation, among and within governments, and with the tech firms, is not fast enough.

"The private sector needs to be in and amongst policymaking in a way in which it rarely is and would probably like to be a bit more," says Fleming. Tech companies, he points out, have an incentive to join forces: "Remember, the companies have to get their heads round this too. It's very hard to monetise successfully AI capabilities if the public don't trust them."

Fleming protests when a waitress tries to remove his half-finished chocolate tart and, as he finishes the rest, I'm hoping to score in my own secret lunch mission: to get insights into an offensive cyber operation. The National Cyber Force, GCHQ's offensive arm, recently produced a document explaining its role and underlining that it acts responsibly. But the only specific operation against an adversary ever acknowledged was years ago, when the agency targeted Isis.

> 'AI provides so much potential . . . but is also going to provide so many ways in which our adversaries would be able to take advantage'

Can he share any other examples? "I'm not going to tell you," Fleming flatly says. The most I hear is insight into how decisions are made. "There's always a point when we're planning an operation where we think about whether this is the type of operation we would ultimately want to disclose." Almost always, or always, it seems, the result is to stick to secrecy.

As the clock ticks closer to 1pm and we've had our hot drinks (espresso for me and mint tea for Fleming), I shift gears completely and return to the myth of British spies. Does Fleming have a favourite television spy series?

Disappointingly, he doesn't have time to watch television but he loves the Mick Herron books, especially the *Slough House* novels. And like many British spies, he is a Bond aficionado. In his sign-off message at GCHQ, he revealed for the first time that his middle name was Ian, just like the Bond author with whom he shares a surname — an appropriately understated parting shot from a master of hidden messages.

Roula Khalaf is editor of the FT

Style

Star power

Terry O'Neill | His images celebrated legends, as a new exhibition shows. By *Miles Ellingham*

At roughly 6am on March 29 1977, Faye Dunaway met with the photographer Terry O'Neill by a pool in Hollywood. O'Neill, who hadn't slept, had approached the actress at the Oscars rehearsal the previous day and proposed a last-minute photoshoot.

O'Neill's longtime friend Robin Morgan, former editor of the Sunday Times Magazine, tells the FT that the proposition went something like this: "We both know you're going to win. I want to get something really special to record this . . . I'm staying at the Beverly Hills Hotel, so are you. Would you come to the pool at 6am when the light's perfect and there's no security? I'll keep it to 10 minutes."

The resulting image (above right), with a languid Dunaway in shell-pink robe and metallic stilettos, achieved that rare feat of photography: escaping the immediate moment and gesturing towards something wider. In this case, the mythology of Hollywood. O'Neill wanted to depict Dunaway's dawning realisation that her life was about to change for ever. Over the next few years, the two sparked up a relationship and married in 1983.

Something happened when O'Neill, who died in 2019, photographed a star. Whether it was Elton John, Spike Lee, Pelé or Amy Winehouse, the subject was both elevated and, at the same time, rendered candidly human. This contradiction shines through in Stars, the upcoming O'Neill show at Fotografiska, New York.

What also shines through are the clothes, and their role in burnishing celebrity status. O'Neill photographed people from the world of fashion — Kate Moss, sitting like a dancer in a black lace bodysuit (below), Cindy Crawford in leather jacket, with signature blown-out hair — and his subjects often exude an ultraconfident style that would still fly today, not least when it comes to tailoring. See David Bowie in a mustard-yellow suit snapped in Los Angeles in 1974, Keanu Reeves in an unstructured tan blazer and Bianca Jagger in a three-piece white suit.

O'Neill was born to working-class parents in Romford, and his work wasn't always glamorous. He originally wanted to be a jazz drummer, but after finishing his national service he began working for the photographic department at the old London Airport (now Heathrow), documenting plane interiors. There, he spontaneously snapped a sleeping Rab Butler, Harold Macmillan's home secretary, and minutes later was approached by a newspaper man looking to buy the photograph.

Working for the Daily Sketch in the early 1960s, when pop culture was booming, O'Neill began to master the art of recording celebrity. "We have to remember, we're talking about the analogue age," says Morgan, who commissioned O'Neill for the Sunday Times Magazine. "Back then, photographers were almost as important as film or rock 'n' roll stars, because if you could get [stars'] faces in newspapers and magazines, that's what sold tickets . . . So Terry became the go-to guy."

O'Neill rejected the usual approach of controlled shoots in studios, opting instead to stow away in the stars' daily routine, waiting for their most characterful moment to emerge. He once hid in Dean Martin's dressing room, just to photograph him in those fleeting moments before he went on stage. But by the late 1990s he was taking fewer pictures, put off by the encroachment of managers and PRs on his work — a trend that has increased. "The bottom line," Morgan adds, "is that the digital age brought us a less honest photography in terms of famous faces."

Terry O'Neill/Iconic Images

'Terry O'Neill: Stars' opens at Fotografiska, New York, June 2

Bode gets the party started

Interview | The label known for quiet, folksy men's styles is taking a new direction with womenswear. By *Grace Cook*

The 10,000-sq-ft Bode studio in Brooklyn is stuffed to the ceiling with antique quilts, salvaged textiles and vintage checked tablecloths. But on the edge of one rail, amid this sea of pastel fabrics that will be turned into patchwork jackets and trousers, hangs a sparkly double-breasted overcoat. It glints, as if a pot of gold at the end of a rainbow.

"It was intentional to do something very different for women," says Emily Adams Bode Aujla, of the sequinned garment from her debut womenswear collection. Unveiled in Paris in January, the collection of heavily embellished, 1920s-inspired eveningwear is a visual evolution from the whimsical, often folksy menswear pieces with which she has become synonymous: think camp collar shirts in crochet and lace (from £590, bode.com), A-line shorts trimmed with colourful blanket-stitch (£465) or sweatshirts embroidered with farmyard

animals (£530). These menswear pieces are a love letter to handcraft: much of the collection is made in America by small, artisanal workshops using traditional techniques.

The brand — pronounced "boh-dee" — started small in 2016, but its impact is reverberating across fashion today. The label's predilection for boxy silhouettes and stitch technique is distinctive and now much copied. Clients include Jeff Goldblum, Harry Styles and the architect John Pawson, while Emma Corrin owns some of the brand's crocheted button-ups and playfully embroidered woollen coats. Last year, Bode Aujla took home the CFDA's Menswear Designer of the Year award.

The business has gathered pace rapidly. It now employs a staff of 100, based in a former warehouse in South Williamsburg. In 2019 it opened the first Bode store on Manhattan's Lower East Side, and this was followed in 2021 by a Bode coffee bar/tailor's atelier and a 3,000 sq ft Los Angeles outpost on Melrose Avenue in 2022. London and Paris are slated to follow.

Clockwise from main: Emily Adams Bode Aujla; Bode's debut women's collection includes a gold overcoat (and headscarf, below), flapper-style dresses and outfits for 'milestone' occasions; backstage at Bode's autumn/winter 2023 show in Paris

Hippolyte Petit/Getty Images

The label's long-awaited women's collection was expected to be a recalibrated version of the men's — with hemlines and sleeve lengths shrunk to female proportions. Not so.

"It would have been really easy to do that . . . and from an economic standpoint, it would have been more effective," says Bode Aujla, sitting in her studio office, her desk cluttered with trinkets and vases. Many women's brands are helmed by men, but Bode Aujla was the first female designer to show on the New York Fashion Week men's schedule in 2017. "When I started Bode, it was about utilising traditional female craft made for and by women, and making men's clothing out of it . . . There would have been no concept to offer exactly the same thing for women," she says. "Plus, half of our clients already are women. What would be the point?"

Instead, she has set her sights on the female wardrobe largely via eveningwear. It's a brave move, considering the casualisation of fashion over the past three years: sweatpants forever, this is not. "It wasn't necessarily what our buyers wanted," she laughs, of the exquisite beaded tops and asymmetric skirts that wouldn't look out of place in a remake of *The Great Gatsby* or on the set of *Downton Abbey*. "They all ask for daytime wear."

Eveningwear will allow her to become more of a mainstay on the Hollywood circuit — many of her celebrity clients had been requesting red-carpet looks. Bode doesn't pay for advertising and the publicity generated from events such as the Met Gala and the Cannes Film Festival is, for many young brands, critical.

Her first red-carpet foray was dressing Lorde for the 2021 Met Gala in a custom white skirt and open shirt decorated with cabochons that, from a distance, looked like ancient coins. The singer wore elongated slippers on her feet and a big crown on her head. It was ethereal, a bit strange and out of time — like some medieval princess. The finished costume formed the blueprint of the new women's line. "It was like, 'That's our girl. That's what she wants to wear and what she cares about.'"

Which is what, exactly? Bode Aujla thinks her woman is elegant and likes rituals — she wants clothes with a story; she dresses to please herself and is "inspired by the theatrics and experience of it". Bode Aujla says she was inundated with requests to remake Lorde's dress. More red-carpet looks have followed. This May, she dressed the designer Aurora James for the Met Gala in a custom, tassel-trimmed gown made from salvaged French curtain fabric. Layered over it was a sharp yellow Bode blazer that riffed on the canary coat Karl Lagerfeld won the Woolmark Prize with in 1954.

The debut women's collection — aligned in price, craft and production with the men's — references a real-life ninetysomething woman who lived on an estate in Cape Cod in the 1970s. She dressed in 1920s frocks to eat alone in her formal dining room each night — Bode Aujla's mother Janet worked for her. "She wasn't just grabbing a quick dinner and eating to survive like we do today," Bode Aujla says. "She was savouring this moment, just for herself."

Many of the creations riff on actual flapper dresses from Bode Aujla's personal collection. She likes to imagine the histories of "who wore it, and to where". And that's why eveningwear excites her. People remember what they wore for events. "It's the milestones in people's lives," she says. A butter-coloured tuxedo dress, cut from beautiful brocade, was designed with civil weddings or official occasions in mind. "When I was getting married, I couldn't find anything I liked," she says. (She married her business partner, Aaron Aujla, last year).

'The goal,' she says, 'is to make something with meaning that you'll have for ever'

The company is privately owned by the pair, who declined to share sales and profit figures. While other young brands in this tough economic climate might ride the wave of their popularity, Bode is strategically shrinking its wholesale accounts — despite the womenswear opening the brand up to more stockists.

If Bode Aujla's impact on menswear is a guide, it will be interesting to watch how her aesthetic shapes the way women dress for occasions. Just as brands like Cecilie Bahnsen and Simone Rocha normalised flounce and frill for daytime, Bode Aujla may soon have us donning Daisy Buchanan-style drop-waisted dresses, scintillating headbands and opulent brocade blazers for dinner.

"The goal is to make something with meaning that you'll have for ever," she says, stroking a heavily ribboned overcoat that uses a technique ordinarily found in couture. She's currently trying to produce it in a cost-effective way for ready-to-wear.

"I'm just trying to figure out what women get excited about."

Summer's in the bag

Accessories | Got functionality fatigue? A quirky summertime bag should lift the mood for the commute. By *Kate Finnigan*

Chances are that you, like me, already have a summer bag hanging on the back of a door somewhere. Perhaps an ancient I Heart NYC tote, an old sun-baked leather shoulder bag from Ibiza or Naples, a tiny shell-embellished drawstring bag bought as a teenager in the Algarve, a National Trust shopper or a basket from Provence.

Why not haul them out and take them for a spin around Sainsbury's? You might find them as evocative as the fragrance you wore the summer you turned 19 or the house classic that played in every bar the year you went island hopping. You might find yourself dancing by the aubergines.

A summer bag should lift the mood. It should speak of closing the laptop to hike, splash in rivers and partake of long, cool sundowners. Even if all you can foresee in it is a continuation of the office commute, only sweatier, a summer bag can help cock a snook towards that daily grind.

I finally broke out my summer clothes from the confines of the bottom of the wardrobe this month and felt the familiar wave of optimism that always brings. In winter, I'm a fairly minimalist dresser, favouring nun-like silhouettes and school uniform colours; but in summertime the spirit of some flower child bids me into cut-off denims and Indian cotton prints, accessorised with leather sandals and the kind of bag I might carry on a pilgrimage to Haight-Ashbury.

My favourite from this oeuvre is a gift from a holiday my friends took to Hawaii. It's a white canvas Peanuts tote with red handles and an image of Woodstock leading Snoopy, Lucy, Charlie Brown and Sally in procession beneath palm trees and a rainbow. Even when the sky is heavy with clouds, it feels like holiday time.

Too cartoonish? Artisan-made, crafty pieces also possess that summer magic. Basketware; woven straw and raffia; anything crocheted, beaded or embroidered; cute barrel-shaped Colombian mochilas; Japanese furoshiki works of genius. Type any of these into Etsy and you'll find scores by different makers the world over. Yes, they tend to be the kind of bags that will not fare well in a downpour; carry them as talismans to ward off threatening skies.

A favourite of mine is a hand-woven bilum, a traditional drawstring bag from Papua New Guinea with cheering blocks of neon by the not-for-profit Australian brand Among Equals. Handmade by communities of women from acrylic and wool yarn and upcycled knitwear, they come in the most fantastic bright colours and graphic designs, accessorised with raffia pom-poms. Select a design on the website (amongequals.com.au) and you can find out about the woman who made it. Prices start at £185 for a small bag and international stockists include shopbop.com.

Stelar is another brand of indigenously made artisan bags, handwoven in Bali. Each one is traceable to the maker via a unique code. The broad range of styles and sizes includes work-friendly shoppers and totes, baskets, travel bags, clutches and the small raffia bucket style with bamboo handles which I own (£145, thisisstelar.com). My aunt once mistook it for a wine cooler — a mistake that seems entirely in keeping with the spirit and required functionality of a summer bag, which must be capable of reliably transporting a chilled bottle of something across a burning hot park while already 45 minutes late for the picnic.

Designer bag brands have always done their bit to capture the summer mood. Loewe's Paula's Ibiza collection was invented for this very reason and has a revolving carousel of fun, dopamine-inducing styles. But the idea of spending thousands of pounds on a summer bag somewhat misses the point for me: I really don't want to be worrying about negroni or SPF drips on pristine leather. There are plenty of second-hand designer summer bags online though. Look for smaller dealers like personal stylist Therese Bassler, who sells pre-loved pieces on her Instagram account @recollection.co.uk. She recently sold a woven Chanel À La Plage tote bag for £395 and tipped me off about some upcoming little numbers: a small grey Hermès beach bag for £395; an adorable vintage orange suede Fendi top-handle bag with gold hardware for £325 and a hand-made raffia bag from Puglia, for £65.

Social-media influencer for pre-loved fashion Jenny Garcia is also a good source for mostly non-designer bags. A former head of buying at Topshop, she now models and sells affordable second-hand pieces via her Instagram handles @jennysuegarcia and @the-curatory. "My summer bag choices tend to steer towards lesser-spotted styles, unbranded, handmade, independent labels, anything leopard (they go with everything) or vintage," she says.

Colour, of course, is king in summer and for that Mango's collaboration with Los Angeles-based brand Simon Miller reflects the popularity of bold, splashy, shades this season. The bag edit includes crayon-coloured rubber logo basket bags, a bright red raffia style and a stripey shopper. Stripes, reminiscent of so many summery motifs — deck chairs, umbrellas, beach towels and country club awnings — will always be season appropriate.

I like DeMellier's canvas striped The New York bag (£460, demellierlondon.com) and more affordably, the deadstock nylon zip-up stripey shoppers by British clothing brand Kemi Telford (£55, kemitelford.com). Great for a day out and also, as founder Yvonne Telford points out, for storing your out-of-season clothes. Which is just perfect. When the sun has finally set on the season of '23, you can pack up your kit in your summer bag until this time next year.

Left, from top: Jane Birkin with a wicker basket on the set of the film 'Slogan' with Serge Gainsbourg in 1968; Among Equals Wave design bag, £140, amongequals.com.au; SM x Mango Shelly raffia handbag, £200, simonmillerusa.com; DeMellier The New York bag, £460, demellierlondon.com; Kemi Telford Nylon shopper, £55, kemitelford.com

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Travel

A self-made celebration

UK | When its bid to be European Capital of Culture was thwarted by Brexit, Leeds decided to go ahead anyway. *Andrew Martin* finds a city in high spirits

In an article entitled "Leeds: City of Contrasts", for the October 1933 edition of The Architectural Review, John Betjeman wrote: "Leeds does not attract tourists. There is not even a guidebook to the city." Leeds, after all, was a place with "little use for aesthetics", where "rain always seems to be falling".

Seventy years on, Leeds has found a use for aesthetics: for a bout of self-celebration. The city has been itching to have a party for a while. Britain was due to have a European Capital of Culture in 2023 and Leeds had its eye on the prize, but Brexit (which Leeds voted against) scuppered that. Leeds also made the shortlist for hosting the Eurovision Song Contest, only to be pipped by Liverpool. So the city anointed itself, hence *Leeds 2023*, "a bold and imaginative Year of Culture packed with creativity. In partnership with world class creatives, homegrown talent, local communities and international arts organisations, together we're creating a celebration that's about Leeds, for Leeds, by Leeds."

So much for a lack of aesthetics, and we'll be coming to "does not attract tourists" in a minute. What about the rain? Perhaps Leeds is implicitly acknowledging that with a street art strand of Leeds 2023 called "A city less grey".

When I visited Leeds from my home city of York in the 1970s, it could have done with being less grey. The "city of a thousand trades", but principally wool, was losing out to foreign competition. It seemed characteristic that Leeds specialised in "heavy wool". I was once told that the dark river Aire in Leeds powered water wheels not by being a fast, sprightly thing, but by "sheer weight of water". And you went to Leeds for "heavy" reasons: to buy a suit for a job interview or (more likely) a funeral; to take out insurance or consult a lawyer.

Leeds perpetuated many of the aesthetic solecisms of the time. It had sold the air rights over its railway station. It was full of multistorey car parks and actually boasted of being "the motorway city". Sumptuous Victorian buildings were knocked down in the centre, especially in Park Row. Kirkgate Market ("the largest indoor market in the world") survived, but rain always did seem to be sliding over its glass roof, and it resembled a museum of Yorkshireness even in the Seventies, seemingly full of glum, toothless pensioners dunking slices of Battenberg cake in stewed tea or eating Yorkshire pudding and gravy as a main course.

It was always a relief to get back to pretty, tourist-endorsed York, which, in the most recent reliable (pre-Covid) rankings by Visit Britain of the top 20 most popular cities among foreign visitors for overnight stays, stands at number 14. But Leeds stands at 15, whereas in 1999, it was not *in* the top 20. York does better in the latest domestic visitor figures, coming in at seven; but Leeds is at six.

Arriving in Leeds by train, I saw that the station approach was being remodelled, while the adjacent City Square was being pedestrianised, the works accompanied by placards promising: "A city where you don't need a car to get around." As I checked in to the Queens Hotel, which had overlooked the square since the 1930s, I learnt that it had been made over during the pandemic closure. The lobby is prettier and cosier than before, its Art Deco austerities softened.

I walked to Kirkgate Market, which still has the echoing, cold air of a Victorian railway station (a good thing, to my mind); you can still buy pikelets, stand pies and Yorkshire stodge but there are also now stalls labelled Vietnamese Street Food and Istanbul Kitchen.

Over the road are the Victorian arcades, collectively called Victoria Quarter. In the 1970s, the ceiling tiles depicting cornucopia and other symbols of plenty seemed misaligned with the shops below — eccentric, low-key affairs, seemingly not robust enough to survive in the open air. One arcade housed a doll's hospital, I remember. Today, the retail is high-end. It has been growing increasingly so since 1996, when Harvey Nichols opened its first store outside London in the Victoria Quarter, prompting Leeds to be dubbed the "Knightsbridge of the North". In this northern city at least, services (particularly legal and financial) were mitigating the decline of industry.

Clockwise from top left: Leeds Corn Exchange; the Domino Club; ceramics in the County Arcade, part of the Victoria Quarter; contemporary gallery The Tetley; Leeds Civic Hall; a mural created for Leeds 2023 by Portuguese artist Add Fuel; Kirkgate Market; the Tiled Hall Café; the door to Whitelock's pub. Photographs for the FT by Megan Dalton. Below: Kirkgate in 1975
Mirrorpix; Alamy/Gerry Carlton; Doug Gillen

I wandered over to Leeds Art Gallery, where the great allurement for me (I'm ashamed to admit) is the glittery Tiled Hall Café, opened in 1884 as a reading room and reminiscent of a Turkish bath. Much of the gallery itself was given over to paintings by young local artists, part of Leeds 2023, and it was all very vibrant and challenging but some of my favourite depictions of 19th and 20th-century Leeds had had to make way, so I took a walk north to what I think of as Leeds' secret gallery, in the university.

I was following the signs for "universities" plural because Leeds has five, all booming (hence a student population of 60,000) but my target was the monumental Art Deco of the Parkinson Building, gateway of the main university, whose campus is as big as a small town. The Parkinson is home to the Stanley & Audrey Burton Gallery, established through the benefaction of that couple, Stanley being the son of Montague Burton, founder of the tailoring firm that made many of Britain's demob suits.

Some of my favourite Yorkshire scenes were on the walls, including a painting by Maurice de Sausmarez, who taught at Leeds College of Art and Design (today Leeds Arts University) in the 1950s. It shows a famous Leeds pub called Whitelock's: three bar staff, a lemony light filtering through bottles of drink. The "measured, poetic" composition, according to the catalogue, "shows the influence of Cézanne".

About an hour later, I was in that same carefully illuminated pub, made welcoming by gorgeous ceramics and stained glass. I was surrounded by students having what I think they call "pre-drinks": early evening drinks before more drinks later. Leeds — which is keen on neon — suits evenings, or vice versa; some city pubs try to pre-empt it by advertising "happy hour: 2pm-4pm".

It had been occurring to me, as I walked through Leeds — passing the fairground behind the colossal Town Hall, and the other one in front of it — that while the city has been greatly reinvigorated, it has not necessarily been gentrified. I had dropped in to Leeds City Museum on Cookridge Street, where the main gallery reverberated to the sound of David Bowie's "The Jean Genie", in commemoration of a gig he played 50 years ago at the Leeds Rolarena (a roller disco). On the streets, the signs advertising Leeds 2023 proclaim: "This town is fizzing and you're the bubbles."

Quitting Whitelock's, I wandered south towards the river, which I never would have done in the 1970s. Back then, it was a zone of derelict warehouses on which the rest of the city seemed to have turned its back. Today, there is a south exit from the railway station, leading to the centrepiece of the regenerated riverside, Granary Wharf. Here three towers have sprouted in a mellower version of standard Leeds red brick: one houses the DoubleTree by Hilton hotel, the other two apartment blocks, and there are bars and shops catering to them.

Here, the Leeds and Liverpool Canal meets the Aire, and these formerly sullen waterways now sparkle like a water feature. Further east on the north bank are The Calls, the old docks. The early Victorian brickwork seems to have been given a good scrub but not at the expense of Dickensian atmosphere.

Resisting the temptation of the many bars, I walked to Shears Yard, an industrial-chic restaurant in a former rope factory. I ate an excellent meal involving something that would have been available in 1970s Leeds, grilled sea bass, accompanied by things that wouldn't: kimchi roasted new potatoes, yuzu hollandaise, soy-glazed tomatoes.

My waiter tipped me off about a good place for a nightcap, the Domino Club. When I said I'd never heard of it, he said, "Ah! That's the whole point." The somewhat coy pretence is that the Domino Club is a speakeasy, and there are several of these in Leeds, reflecting its American-big-city swagger, with its high-rises, its love of cocktails and the fondness, among its wealthier and older men, for long double-breasted woollen coats. The Domino Club is accessed via a barber's shop (Lords Barbering) in the Grand Arcade. It's a big, blue basement, decorated to suggest 1930s Chicago. I had a glass of white wine for a fiver and spent an enjoyable hour listening to the band playing bebop jazz.

> Leeds' speakeasies reflect an American big-city swagger, with its high-rises and love of cocktails

The next morning, I crossed the river again, to The Tetley, a contemporary art gallery housed in a building that was once the grand HQ of Tetley's Brewery. The spooky installations and soundtracks seemed to be making mysterious statements about the wood-panelled former offices they inhabit.

Later, I walked a couple of miles west along the canal (meeting no more than three or four dog walkers along the way, all of whom, this being Yorkshire, said hello). My destination was the Leeds Industrial Museum, in what was once Armley Mills, the world's largest woollen mill. The museum is really a chamber of horrors. Its enormous weaving and spinning machines, smelling strongly of grease, might have been abandoned only hours before; around the white stone walls are bulletins about the diseases the spinners and weavers were heir to, and descriptions of how crying children were forced to start work at 5am.

It's as though the museum is warning us not to indulge in that romanticisation of the past so familiar in northern towns. It's easier to resist in Leeds than most. In Leeds, it seems to me, the best times are the present ones.

Andrew Martin's latest book is 'Yorkshire: There and Back' (Corsair, £20). He was a guest of Visit Leeds (visitleeds.co.uk) and the Queens Hotel (thequeensleeds.co.uk; doubles from about £120)

VW's hippie classic reborn, electrified — and yours to rent

On a test-drive in Sussex, the ID Buzz charms both passengers and passers-by, discovers *Alexander Tyndall*

At last I know what driving an ice-cream van feels like. Behind the wheel of one of the first all-electric Volkswagen campervans, I am the most popular guy on the road. Deep in the Sussex Downs, groups of men outside pubs elbow each other and point. Fellow campervanners mouth "Wow!" at roundabouts. Whenever my partner and I park, strangers sidle up to ask if they can take a peep inside.

The van has a lot of legacy to live up to. The VW Type 2, after which it's styled, was launched in 1949 and became an icon of 20th-century counterculture (Type 1 was the Beetle). The vans were initially produced with seats or without, but soon other companies such as Westfalia and Dormobile were adding beds and cookers to convert them into campers — the perfect base for a surfing safari or adventure. Little wonder the van became known as the hippie-mobile.

It may come as a surprise that VW has taken so long to cash in on this cultural capital, but this has been a rebirth 22 years in the making. VW showed its first retro-styled Microbus concept car at the Detroit motorshow in 2001 only for progress to stall, then emphasis shift to creating an electrically powered version. The first ID Buzz finally rolled off the production line late last year. The wait served only to build anticipation — even if the result screams more "yuppie" than "hippie".

From its vintage-inspired design cues to the Bassett's Allsorts colour options and roomy interior, for well-heeled buyers of a nostalgic bent it promises to be as much a signifier of one's fun-loving eco credentials as a useful way to get about. And buy it they have — in March it was reported that for certain specs (including the essential two-tone paint job) waiting lists are as long as 18 months.

Like its ancestor, the ID Buzz comes with seats or without, but VW says it will release its own campervan edition, the ID California, in 2025. Until then, it's again down to third-party companies to take the Buzz and turn it into a camper — and this weekend I'm testing one of the earliest examples to hit the road, as well as the first in the UK to be available to rent. The conversion has been done by Sussex company Love Campers, and the van is rented out (from £150 a night) by Brighton-based Wild Drives. (ID Buzz campers are also starting to become available with other rental companies internationally, including Siesta Campers in Portugal and Arctic Campers in Norway.)

Having whirred our way from the Brighton seafront through Sussex to our campsite near Rye, we slide open the Buzz's cargo doors to check out our home for the night. Love Campers' engineers have squeezed a solar-powered induction hob, sink, fridge and pullout bed into the back of the van, with a fridge tucked under the sofa bench and as many storage cupboards as can be crammed into the compact space.

Finished with eco-friendly bamboo worktops and interior cladding (plus slinky bamboo bed linen), it's high-end but undeniably spartan. No bathrooms here, and the mini-double bed is cosy, so you've got to be fairly fond of your travelling partner.

In the driver's seat, meanwhile, Volkswagen has laid on the bells and whistles. As an introduction to EV driving the ID Buzz is a revelation. It is comically, joyously easy to drive. VW clearly knows it too; our vehicle is fitted with accelerator and brake pedals stamped with the Play and Pause icons. With a 150kW motor, it's very nippy in spite of its 2,500kg mass, and feels nimble and poised on the road — in marked contrast to some original Type 2s, which could handle like a boat.

The 10in touchscreen is within easy reach and big enough to make reading maps a doddle. The outstanding feature, however, is the optional active cruise control, which keeps you a safe distance behind the vehicle ahead and happily steers for you. The claimed range of 250 or so miles on a charge is plenty for a weekend gallivant; the Buzz probably isn't the choice for trans-European trips but probably isn't big enough for that kind of trekking anyway.

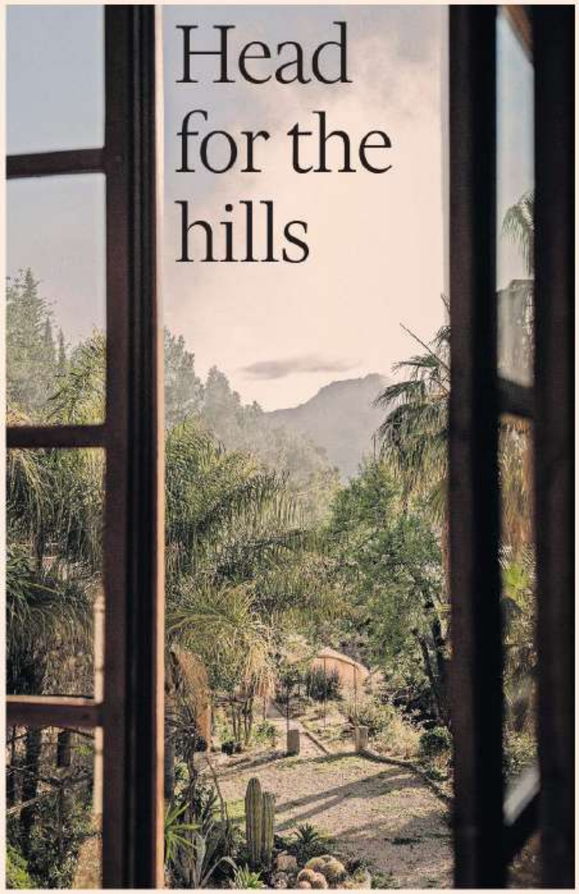
Weekend warrior: The VW ID Buzz campervan offers home comforts, far left, and retro styling, left. Photographed for the FT by Sandra Mickiewicz

There's a contradiction in all this, of course. It's hard to claim that the free-love spirit of the original camper has been revived in a vehicle whose cheapest passenger model starts at almost £60,000, with campervan conversions running into the many thousands on top of that. And seamless GPS and Spotify integration don't conjure the same magic as a dog-eared map marked in Biro and a transistor radio hanging from the rear-view mirror.

I half-wonder whether something essential has been lost along the way. But in the morning, with the kettle and mugs safely stowed, we head east for the pebble beaches of Dungeness. I settle back into the driving seat, my partner fires up a #VanLife playlist, I flip the electric motor into Drive, stomp on the Play pedal and the roads unfurl in front of us. Our adoring crowds await. The Buzz is the perfect getaway from everyday life — even if only for a weekend.

Alexander Tyndall was a guest of Wild Drives (wilddrives.co.uk), which offers ID Buzz campervan rental from £150 per night. Love Campers conversions from £17,000 (lovecampers.co.uk).

Head for the hills



Mallorca | Richard Branson's new hotel is drawing fresh attention to the delights of the Tramuntana mountains. By *Paul Richardson*

Twelve million visitors a year, yet it never quite loses its capacity to surprise. From the summit of Puig d'en Galileu, the whole island of Mallorca was laid out below me in a glittering panorama of rock, woods and water. Close by loomed the peak of Puig Mayor at 1,436 metres, its grey pate still covered with a skullcap of recent snow. Far away towards the south were the resorts of Magaluf and S'Arenal — hidden under a pall of sea mist and so far removed from these rugged mountains that they might as well have belonged to another dimension of space and time.

The Serra de Tramuntana, a mountain range named after the fierce north wind, runs the length of Mallorca's north-west coast. As spring sunshine cleared away the remains of a stormy cold front in the Balearics, my plan was to drive 110km along the spine of the range, taking the slow Ma-10 road linking Andratx in the west with Pollença in the far north. I'd stay at four hotels along the way; there would be visits culinary, cultural and agricultural, and more wild untamed scenery than seems plausible on a Mediterranean holiday island.

I set out from Palma, then turned north on the first of the Ma-10's seemingly endless switchbacks. Here I had a pungent first taste of the Tramuntana's dark forests: the gloomy gorges with streams trickling in their boulder-strewn depths; the sudden, blazing presence of the sea.

The fame of the Tramuntana rises and falls like its undulating peaks. Historically, the Serra was divided into great estates called *possessions* where the island's aristocracy took refuge from the sweltering summer heat of Palma. Following the Catalan conquest in 1229 this was a powerhouse of olive oil production, a medieval Abu Dhabi, until competition from other Spanish regions led to a slow decline. Never a player in Mallorca's mass tourism industry, the region's lack of development was finally rewarded in 2011 when it was listed under Unesco's World Heritage scheme.

And now it is once more in the ascendant. A new constituency of international travellers, notably from the US, has begun discovering the Tramuntana even as a new crop of mountain hotels is poised to welcome them. Examples are Ca'n Beneït in the hamlet of Binibona, Toni Durán's exquisitely authentic country house retreat with its orchards and flower-filled gardens; and Hotel Corazón, where photographer and island regular Kate Bellm and her Mexican artist husband Edgar López Arellano have applied a breezy, fashion-forward cool to the old Son Bleda on the road between Deià and Sóller. With 15 bedrooms, Hotel Corazón opens its doors in June — but the most keenly anticipated opening in this neck of the woods is the new hotel at Son Bunyola, Sir Richard Branson's property on the coast near Banyalbufar, also due to open next month.

I found the entrance off to the left of the Ma-10, a country lane winding down through groves of ancient olives to a grand old Mallorcan mansion sitting prettily above its own gently curving bay. Branson claims it was the memory of childhood holidays on the island that inspired his purchase in 1987 of La Residencia in Deià, among the first of the island's country house hotels (and now part of LVMH's Belmond group). Casting about for a new project in the 1990s, he came on the enormous *possessió* of Son Bunyola, which sprawls over 500ha of forest and farmland and three miles of coastline. He bought the property in 1998, sold it four years later after planning permission was denied by the local authorities, only to rebuy it in 2015. There followed six years of legal wrangling before Branson finally got the green light to begin restoring the estate's abandoned land and transforming its dilapidated finca into a 26-room hotel. (Three villas already available to rent on the estate have also had an upgrade.)

You might say the last thing Mallorca needs right now is yet another five-star hotel but there are reasons for thinking this one will stand out from the crowd. A condition of the building licence was that the *possessió* should recover its original character as a working farm, and this has meant large-scale plantings of olives and almonds, 2ha of new vineyard, sheep and hens, not to mention a gang of 40 donkeys charged with clearing the swaths of overgrown woodland.

The estate is practically a palimpsest of Mallorcan history with its two neolithic sites and medieval Arab waterworks, the 13th-century watchtower at the heart of the house and its neo-Gothic chapel. During a site inspection with general manager Vincent Padioleau, I found the hotel's interiors, by Palma-based Swedish design firm Rialto Living, pleasant if underwhelming in their discreet Mediterranean tones of blue, red, yellow and green. Not so the exteriors: from the rear of the house the landscape rolled away towards a mountain view so mesmerising I could imagine staring at it for hours on end. "It was the setting, above all, that made Branson fall in love with this place 25 years ago," said Padioleau.

Right: a computer-generated image of Richard Branson's Son Bunyola hotel, which opens in June after a 25-year gestation

Below: photographer Kate Bellm's Hotel Corazón, between Deià and Soller, which also opens next month

Son Bunyola being some weeks away from its inauguration, I backtracked for my first night to the village of Banyalbufar, made famous by the *malvasía* vines planted on stonewalled terraces racked up steeply from the ocean. Ca Madò Paula is a six-room *hotelito* with beamed ceilings, crisp white sheets and the charm of an old-fashioned Spanish *pensión*. It is one of the few places to stay in this village of 500 souls where children played in the street and barely a car passed in the evening calm. I wondered aloud whether Banyalbufar's rustic sleepiness — and its house prices — might be disturbed by the supercharged luxe of the new hotel just around the corner. "Ah, yes, we've heard about that place," answered the receptionist, Soledad. "We just hope our village won't change, because we like it the way it is."

As seen from my window in the morning light, the sea was as shiny as a pool of olive oil, becalmed. On a terrace far below a man was assembling bamboo canes for his tomato plants. A moped puttered past a barking dog.

Now I headed into the heart of the Serra, an area whose high glamour quotient and death-defying coastal roads give Amalfi and the Cinqueterre a run for their money. In Valldemossa, I picked up lingering echoes of Chopin at the monastery where he and George Sand spent a holiday from hell over the damp winter of 1838-39. (The 16th-century *possessió* of Mirabó, now a fine agroturismo run by owner Ignacio Ozonas, was my lodging here.) And, in Deià, I walked to a churchyard on a hilltop to find the simple stone slab marking the tomb of the poet and novelist Robert Graves (1895-1985), who lived in the village on and off from 1929 until his death.

I had been this way before. As a backpacking student roaming Europe in the summer of 1984, I took the rickety bus that clattered out of Sóller towards the coast. I remembered Deià's picturesque straggle of sandy-coloured stone houses with green shutters and terracotta-tiled roofs, the tall palms and cedars lending verticality, the great grey hulk of Puig del Teix rearing up behind it and the sea below. But Deià had changed. It was now a busy tourist town with more estate agents and arty boutiques than actual village shops. The general store Forn Deià still sold locally grown oranges and oven-baked vegetable *cocas* — but its shelves also held matcha tea, coconut milk, and cuttlefish-ink linguine.

In the hotel La Residencia, ground zero of high-end tourism in these mountains, I stood with Chilean sculptor Juan Waelder under an orange tree outside his studio. Waelder arrived in Deià during its 1970s glory days, one of a long line of adventurous spirits and bohemian mavericks drawn here as if by a magnet.

When the Tramuntana was accorded World Heritage status in 2011, the sculptor made a large-scale work in homage. It stood on the lawn beside the hotel entrance — a personification of the mountains as a woman with her hair blown back by the wind in skeins of twisted steel. "I hold up my hands towards the Teix every morning to feel the energy it gives off," he told me. "The Serra de Tramuntana reminds me of California — but without the pollution, traffic jams or politics."

North out of Deià the Ma-10 hugged the heights above the sea. I passed solidly built stone farmhouses and palatial *possessions* with pergolas and balconies. Umbrella pines leaned in over the road. Under a carob tree, sheltering from the midday sun, stood a donkey and its newborn, both heads down and motionless. Scraggy sheep had found places to lie among the rocks and roots of an olive grove, so well camouflaged they seemed to blend seamlessly into the landscape.

I stopped at Son Moragues, one of the portfolio of houses once belonging to the Mallorca-loving Archduke Luis Salvador of Austria (1847-1915). (Another being S'Estaca, now the holiday home of Michael Douglas and Catherine Zeta-Jones.) Under the aegis of businessman Bruno Entrecanales, this immense *possessió* is run as an organic farm which supports itself with the sale of olive oil, vegetables and meat, and with guided visits. I spent a morning touring the estate's rolling countryside, winding up at a great water tank high in the hills, fed by freshwater springs and shaded by the trees of a magical walled garden.

For some reason, the Tramuntana has largely missed out on Mallorca's recent culinary boom but still I found good things to eat and drink. There was the superb organic goats' cheese made by neophyte dairymen Josep Sánchez and Nicolau Cerdà at their farm outside Pollença, which turned out to pair well with the dry *malvasía* wines from Banyalbufar. Memorable dinners were had at El Olivo in Deià, where young chef Pablo Aranda puts a shine on classics such as lamb with a black-olive crust and Sóller prawns baked in salt, and at Ca Na Toneta in the village of Caimari. Served in a chic dining room, Maria Solivellas' fresh-faced cooking at Ca Na Toneta has been based on seasonal and island-grown produce since before such things were fashionable. The rice dish of spinach and langoustines and the strawberry, cucumber and kefir dessert with black pepper were for me the standouts of her springtime repertoire.

Beyond Fornalutx, on precipitous terraces held up by dry stone walls, stood olive trees of unimaginable antiquity, their huge trunks twisted into fantastical forms as grey and pitted as the sheer rock face above them. The road took me up and up through forests of holm oak, reaching the sanctuary of Lluc, a monastery founded in the 13th century. Above the tree line, shadows cast by the afternoon sun on the Serra's barren peaks gave them a strangely violet hue.

The few locals to be seen in the sparsely populated countryside around Escorca were indomitable outdoor types like Martí Mascaró, aka Mel Caramel, a leading organic honey producer, who took me to see his hives in the remote fastness of Son Alzines. "To me this is the most authentic side of Mallorca," he said as we walked through a field full of wildflowers. "I go around the tourist zones and I ask myself: what am I doing here? It's up in the mountains that I really feel happy."

The final ascent was near. Looking to finish the trip with a proper mountain hike, I called Eduard Casajuana of active tourism specialists Mallorcalpina.

Together we climbed through the forest on a path (the GR221) that stretches 140km through the Mallorcan highlands, while Casajuana told me tales of the Tramuntana: the tiny ferreret toad, among the world's most threatened amphibians, which lurks in the mountain torrents, and the terrifying Sa Fosca, a karstic canyon so deep that much of its length lies in total darkness. We saw ice houses — deep pits in the mountain once used for storing snow — and woodland clearings where charcoal burners plied their trade right up until the 1950s. At the top of Puig d'en Galileu (1,181 metres) a black vulture swooped past below us.

Between Mortitx and Pollença the Ma-10 turned swiftly downwards. I had the sense of an ending. After the thrills of the high Serra this felt a little like a comedown. Though even on the plain there would be compensations: I found Pollença a delightful, buttoned-up little town, and just outside it my 13-room hotel, the Son Grua, a dream of country living at its most congenial.

I drove back to Palma along the motorway, dodging the tourist hire cars, depressed by the prosaic surroundings. Up on my right in a long dark huddle was the mountain range I had just traversed practically from end to end. Somewhere in the middle was the peak I'd conquered the previous afternoon. My Tramuntana journey had confirmed a truth I'd long suspected: while the tourist makes a beeline for the beaches, the true Mallorca-lover heads for the hills.

From main: looking out over the gardens of the Hotel Corazón to the peaks of the Tramuntana; the pool at Ca'n Beneït; a dish at Ca Na Toneta in the village of Caimari

Anna Malmberg

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Where to stay
Son Bunyola (sonbunyola.virgin.com) is due to open on June 16, doubles from €600 per night. Hotel Corazón (hotelcorazon.com) is due open in mid-June, doubles from €500. In Valldemossa, the Mirabó (mirabo.es) has doubles from about €315. Ca Madò Paula in Banyalbufar (hotelcamadopaula.com) has doubles from about €115. Ca'n Beneït (fincacanbeneit.com) has doubles from about €230. Son Grua (songrua.com) has doubles from €250.

For the restaurant Ca Na Toneta see canatoneta.com; beekeeping experiences with Mel Caramel (melcaramel.com) cost €60. The farm Son Moragues (sonmoragues.com) offers a range of experiences for visitors, from €35. Mallorcalpina (mallorcalpina.com) offers guided hikes throughout the island.

Paul Richardson was a guest of the Mallorcan tourist board, Fomento de Turismo de Mallorca (mallorca.es)

Books
Life&Arts

Above: a container terminal in Hamburg; below: the Kennedy Round Gatt talks in Geneva in 1964 — for Daunton, the closest thing to a true victory for globalisation in the postwar era — Chris Emil Janssen/Reuters; Gerard Gery/Paris Match/Getty Images

The American way

Essay | An epic new history surveys the precarious march of globalisation since the Great Depression, writes *Adam Tooze*

The Economic Government of the World, 1933-2023
by Martin Daunton
Allen Lane £45, 1,024 pages

Before our eyes the shifting political balance in the US is changing the agenda of global economic policy. Following in the footsteps of Donald Trump, the Biden administration is unpicking globalisation as we have known it. We live, we are told, in the era of a new Washington consensus in which nation-centred industrial policy plays an unabashed role.

This is sometimes seen as the betrayal of an earlier American vision of a rules-based multilateral order. But, as Martin Daunton's capacious and timely history of *The Economic Government of the World* shows us, this sense of rupture and reversal is misleading. As he explains, "shifts in the distribution of economic power within the US" have always been "crucial" to the way in which Washington superintends "international economic order".

In a detailed narrative, which takes us through labyrinthine multilateral negotiations over currencies and trade, Daunton shows how the process of opening the door to the free movement of goods and capital was always messy and uncertain and dependent on domestic circumstances in America, the world's leading economy.

Though the statistics of foreign trade appear to show a steady rise in global integration — merchandise exports as a share of global gross domestic product rose from a high of 14 per cent just before the first world war to 25 per cent by 2008 — building the institutional frame of globalisation was a precarious business. It depended on fragile bargains between various interest groups to satisfy cotton farmers and textile producers, tactical decisions to separate contentious issues such as currencies and trade, and ensuring the maximum discretion for expert technocrats rather than congressional logrolling.

Through to the early 20th century, the US was strongly protectionist. Efforts by the Democratic party, which represented the farm exporters of the South, to reduce tariffs were stymied by the Republicans, who spoke for northern industry. Even in the first 12 months of Franklin D Roosevelt's presidency, the direction of policy was undecided, an indecision that contributed to the failure of the World Economic Conference in London in 1933. It was not until FDR threw his weight behind the progressive project of the Second New Deal in the mid-1930s that the balance shifted decisively towards a more internationalist stance. Cordell Hull, secretary of state, bounced the Reciprocal Free Trade Act through Congress, which began to reverse the protectionist drift of the Great Depression. Meanwhile, Treasury secretary Henry Morgenthau brokered the Tripartite Currency Pact in 1936, which, after the collapse of the gold standard, stabilised sterling and the dollar against the French franc.

To build a new economic order, Washington needed partners. London, still at the head of its empire, was desperate to be involved in shaping the world economy, and in John Maynard Keynes, the economist, it had the visionary for the job. But, after the second world war, Britain was too weak to actually implement the Bretton Woods vision for full exchange convertibility as agreed in the summer of 1944. It took billions in bilateral loans from the US, the Marshall Plan of 1947 and the European Payments Union of the 1950s before Britain and the rest of Europe were ready for convertibility of their currencies in 1958.

Lacking a constituency in America, the ambitious vision for the International Trade Organization, which would have promoted a fully multilateral trading system, was abandoned in 1949. Instead, trade liberalisation was driven forward in a more focused way by successive rounds of tariff cuts negotiated within the General Agreement on Tariffs and Trade.

By the 1960s, recovery in east Asia and Europe was in full swing. But that posed its own challenges. Under the inspiration of Charles de Gaulle, the European Economic Community looked more and more like a closed economic bloc. To ensure that Europe remained firmly within America's orbit, the Kennedy administration launched a new round of Gatt talks. In Daunton's telling, the Gatt round between 1964 and 1967, named in honour of President Kennedy, was the closest thing to a true victory for globalisation in the postwar era. It brought industrial tariffs down to new lows. But it was a Pyrrhic victory. It added to America's trade deficit. It caused resentment among American business and labour interests and it alienated the developing world.

By the 1970s, amid the wreckage of the Bretton Woods system, the protectionist current was running strong in the US. President Richard Nixon took the dollar off gold and announced a new era of nationalism in economic policy. Though presidents Jimmy Carter and Ronald Reagan initiated the era of neoliberalism at home through domestic deregulation and tax cuts, they flanked their domestic policies with slogans not of "free" but of "fair" trade. Market expansion was driven forward through regional deals such as the North American Free Trade Agreement. The Uruguay round of Gatt (1986-94) — dubbed "Gattastrophe" by its critics — took an agonising seven and a half years to deliver modest reductions in industrial and agricultural tariffs.

> The WTO was first taken up by Europeans keen to constrain America's unilateral tendencies

The World Trade Organization that would replace Gatt after 1995 was first taken up, Daunton argues, by Europeans keen to constrain America's unilateral tendencies. In the US, it always rested on a wafer-thin political majority. It was not by accident that the WTO meeting in Seattle in 1999 was met by dramatic protests.

In response to its critics, in the new millennium the leadership of WTO placed global development at the top of its agenda. But in doing so, it overreached. The wide-ranging negotiations of the WTO's Doha round, involving 144 national delegations organised into 19 separate coalitions, have been shambolic. Meanwhile, China's inclusion in the WTO delivered a fatal blow to political support for globalisation in the US.

By 2005 there was a substantial bipartisan caucus in Congress calling for the US to leave the WTO. Well before the Trump administration set about sabotaging the WTO's dispute adjudication procedure, the organisation was paralysed. Nor should it be a surprise that the Biden administration has shown no real interest in reviving it. The prevalent diagnosis in Washington today is that the China-centric globalisation of the 1990s and 2000s was a historic mistake.

This clearly marks a new phase in the story of the world economy. But, rather than seeing this as a sudden or unprecedented rupture, if we follow Daunton's narrative, it is merely the latest expression of a deep uncertainty and ambivalence in US politics towards the world economy.

America's current crop of geoeconomic strategists, led by Jake Sullivan, President Joe Biden's national security adviser, insist they are not decoupling. America's economic leadership will remain intact. But, not for the first time, Washington is changing the terms. In a mass of technical negotiations, anchored in political and interest-group coalitions in the US, it will seek deals with partners in Europe, Asia and in the rest of the world.

Offering us a realistic assessment of what American-led governance of the world economy actually entails, Daunton's account is essential reading. Post-heroic and disillusioned, this is a history for our times.

Adam Tooze is an FT contributing editor and writes the Chartbook newsletter

A dynasty of privilege and progressive politics

The columnist Polly Toynbee reckons with the complexity of class in Britain in her memoir. By Melissa Benn

An Uneasy Inheritance: My Family and Other Radicals
by Polly Toynbee
Atlantic Books £22, 448 pages

It takes some courage, and a touch of recklessness, to tell the unvarnished truth about one's own family. A double dose of bravery is required when that same clan is famed for its advocacy of largely unpopular radical causes and — at least in Polly Toynbee's case — is marked by tragedy and far, far too much drinking. On her first day at The Observer, the newspaper for which her father Philip had long worked as a literary critic, Alf on reception appealed to the young Polly: "I hope you're not like your dad. I hope you don't pee in the lift."

One of Britain's most prominent leftwing columnists, Toynbee decided to write this biography of her family after filming a documentary on social class a few years ago. The perceptive producer asked her if she might like to turn her attention to her own story, thus forcing Toynbee to face the insidious reach of what she calls "class shame" in her own life.

Toynbee makes it clear from the outset how much she sees social class as the fundamental, yet often still unacknowledged, driver of British society — tainting all connections and identities. How much easier it would be, she ruefully admits, to leap to self-exposure if she had some satisfying "pulled-up-by-my-own-bootstraps-from-a tough-council-estate story" to tell instead of a life eased by material comforts and with an extensive set of influential social and professional networks to draw upon.

Her class identity has clearly caused her much confusion and soul-searching. She is particularly acute on the uncomfortable space that the radical middle and upper-middle classes have always occupied in our culture. The charge of hypocrisy is so easily made against affluent campaigners and reformers who must suffer "the cognitive dissonance of failing to live up to the beliefs we profess". It's a fate, Toynbee notes with irritation, that no smug wealthy Conservative ever has to endure.

Toynbee gallops engagingly through the life stories of an extraordinary array of forebears. One great-grandfather was the Australian-born classical scholar Gilbert Murray; the Toynbee branch of the family, London born and bred, included her great-grandfather, Arnold, a renowned social reformer (London's Toynbee Hall was named in his honour); and the author's grandfather, also called Arnold, was a philosopher and historian whose 12-volume examination of the rise and fall of civilisation *A Study of History* made him a global celebrity. Great-aunt Jocelyn was a celebrated Cambridge archeologist. The family's many famous friends — Rupert Brooke, Jessica Mitford, Bertrand Russell — flit confidently through the narrative.

Toynbee passionately identifies with many of the values of her ancestors; mostly fiercely anti-Tory, they include formidable early advocates of everything from proper welfare provision to Irish home rule, trade unionism to nuclear disarmament. Her father, Philip, was an active communist in the 1930s and ran a pioneering, if ultimately disastrous, social commune in the 1970s. He eventually turned to God, in whose character, his daughter wryly observes, he showed more interest than in those of his children.

Yet in their devotion to the "service of humanity" — the term does send shivers down the contemporary spine — these same ancestors exhibit a kind of oppressive virtue that was easy to mock. Toynbee deplores the mix of shocking emotional neglect and impossibly high expectations that passed for parenting in a bygone, upper middle-class age. Her father, she claims, was all but ruined by his rigid and unloving mother Rosalind. His older brother Tony died young by suicide; Philip, a loveable if unreliable father, battled depression and alcoholism throughout his life.

The English education system also comes in for harsh criticism. The sons of the middle and upper-middle class were sent to boarding schools where they largely floundered rather than flourished. Toynbee herself was "punished" for failing the 11-plus exam by being sent to a boarding school, where she performed poorly. It was the attentions of Mr Stedman Jones, head of English at her pioneering comprehensive school, Holland Park (my old school), where she escaped for sixth form, that won her a scholarship to study at Oxford.

For all this, she is honest enough to shine a light on another of the supposed hypocrisies of so many of the affluent British liberal class: those parents who send their "children to profoundly conservative establishments, demanding a good education yet detesting the cultural, political, military, religious and social ambitions of English public schools; it happened to my father, it happened to me and I confess to doing it to some of my own children."

> The charge of hypocrisy is easily made against affluent reformers — an attack that no wealthy Tory ever faces

She does not go into detail about the younger generations of her own family although there are heavy hints of both continued privilege and yet a tougher battle to stay on top. There are several references, for instance, to the vast increase in housing wealth, which keeps so many of today's middle class afloat.

In other respects, life has got harder, even for the affluent, with today's greater emphasis on exam-passing diligence rather than family connections or a louche kind of confidence. Toynbee herself dropped out of Oxford through a mix of "woe and impatience". She acknowledges that "If I were starting out now . . . without qualifications, I would never get near a newspaper job."

Uneasy Inheritance is a bit of a genre mash-up: part social analysis, part polemic (once a columnist, always a columnist), part compelling family memoir, replete with vivid — often hilarious, often shocking — anecdotes. It is ultimately, however, a work of love, forgiveness and understanding. It ends on an elegiac note with Toynbee observing how many of her once-celebrated relatives have now been forgotten — or worse; Arnold Toynbee's masterwork was largely dismissed by later scholars.

Yet she proudly salutes her ancestors' political radicalism, their stubborn membership of that despised minority of campaigners and socialists who have always had to face down scorn and defy convention. Thanks to their efforts, Toynbee concludes, some important liberal causes have been advanced, but "on the question of class inequality, I find no progress — the dial has stuck."

Melissa Benn is the author of 'Life Lessons: The Case for a National Education Service'

General Francisco Franco, centre, observes a parade commemorating the 31st anniversary of victory in the Spanish civil war in Madrid, June 3 1970

Spain in a new light

Two books on the nation's history since 1898 do a fine job in charting the path from dictatorship to national reconciliation, writes *Tony Barber*

In the late 1970s, as Spain was shedding dictatorship for democracy, the future Socialist prime minister Felipe González said that his aim in politics was to turn "our country into a society similar to that of our neighbours" in western Europe. To Spanish ears, this goal was more noble and ambitious than it sounds today.

For most of the 20th century, Spain had seemed to outsiders — and many insiders — a country defined by backwardness and failure. After 1898, when Spain lost its colonies of Cuba, the Philippines and Puerto Rico in a war with the US still remembered as "the Disaster", the author Ramón del Valle-Inclán declared bitterly, "Spain is a grotesque deformation of European civilisation."

Few if any Spaniards nowadays would make such deprecating comments about their country. Spain is fully integrated into the family of western democracies. It enjoys a standard of living unimaginable in the first half of the 20th century, and it boasts world-class companies such as Inditex, the fashion group, and Banco Santander, the nation's largest bank.

True, the political scene is polarised and the problem of Catalan secessionism is acute. After parliamentary elections due by the end of this year, it is conceivable that a rightwing government will come to power relying on the support of Vox, an upstart hard-right party that evokes memories of the dark decades of Francoism. However, similar trends are visible from Austria and Italy to Sweden, suggesting that even in the matter of rightwing populism Spain is simply conforming to wider European patterns.

Two new books, Nigel Townson's *Penguin History of Modern Spain* and Paul Preston's *Architects of Terror*, do a fine job of narrating Spain's development since 1898 and reminding us of the violence and fanaticism of Francisco Franco's 1939-1975 dictatorship, especially in its first two decades. Townson and Preston rank among the world's leading English-language historians of modern Spain, and their books are ideal for general readers as well as being thoroughly researched and scholarly.

Townson, who teaches history at the Complutense University of Madrid, performs a welcome service in taking the story of modern Spain up to the present day. It allows him to place in an enlightening historical context such turbulent episodes as the Catalan push for independence in 2017 and the corruption scandals that have beset Spain's political parties over the past three decades.

One theme of his book is that Spain may not, in fact, have been so different from other European countries up to 1975. In the democratic era, Spanish historians have carried out much pioneering research on the period between 1898 and the civil war's outbreak in 1936. Synthesising this scholarship, Townson contends that the familiar story of a land of economic backwardness, social immobility and political immaturity is somewhat exaggerated.

In the first half of his book, Townson provides lively sketches of men such as novelist Vicente Blasco Ibáñez and radical politician Alejandro Lerroux. He pays particular attention to the 1923-1930 rule of General Miguel Primo de Rivera — "the least researched period of modern Spain". Townson says it is difficult to explain the demise of the democratic Second Republic, which lasted from 1931 to the military uprising of July 1936, without taking into account the way authoritarianism replaced liberalism under Primo de Rivera in the 1920s.

Townson is tougher than some historians on the Second Republic's shortcomings, arguing that Spain's democratic parties were sharply divided, pursued incoherent economic policies and did little to root out patronage. Even when passing the 1931 constitution — one of the most progressive in Europe to that date — they "did not establish a truly national framework, one that could accommodate the great majority of Spaniards", including conservatives.

After Franco's death, the great achievement of the political classes, including communists and Catalan regionalists, was to write a new constitution in 1978 that finally achieved national reconciliation, or something very close to it. That settlement now looks in need of an update, not only because of the revived Catalan question but because of other problems such as a partly politicised judiciary and the excessive power of party bosses in the political system. "The greater vigilance provided by a free press and relatively independent judiciary failed to extirpate the clientelism and corruption that had hitherto characterised politics in Spain," Townson writes, "making democracy little different in this respect to other regimes of the 20th century."

Preston, professor of international history at the London School of Economics, is the author of numerous excellent books on 20th-century Spain. In his latest work, he concentrates on the disturbing truth that one of the extreme right's justifications for the 1936 uprising and destruction of democracy was a supposed "Jewish-Freemason-Bolshevik conspiracy" against Catholic Spain and its traditions.

Preston organises his book around the lives of six strikingly unsavoury characters. The policeman Mauricio Carlavilla wrote "ludicrous or demented" tirades asserting that "Satanism is the hinge that connects communism with homosexuality". The priest Juan Tusquets was "obsessed with finding Freemasons even under the serviettes", as one contemporary commented. The poet José María Pemán, defending Franco's terror, compared the civil war to the *Reconquista*, the medieval Christian campaign to expel the Arabs who invaded Spain in 711.

Gonzalo de Aguilera, a Francoist press spokesman in the civil war, was a half-English, polo-playing reactionary who proclaimed, "It is damnable that women should vote. Nobody should vote — least of all, women." Finally, Preston recounts the savagery of two civil war generals, Emilio Mola and Gonzalo Queipo de Llano.

As Preston writes, Franco believed fervently in a Jewish-Masonic conspiracy. In a 1945 speech, he asserted that Spain was under attack from a "Masonic superstate" that controlled the world's press and radio as well as politicians in western democracies. Curiously, Franco had applied to join the Masons in 1924 and was turned down. Preston observes that his later obsession with them may have been a way of taking revenge.

Preston's book is an essential reminder, as he puts it, of "how fake news contributed to the coming of a civil war". Thankfully, such fevered fantasies belong almost entirely to Spain's past. Despite all the challenges it faces, Townson strikes the right note in writing that "Spain today is a stable, prosperous democracy" — similar to its neighbours, as González hoped, but with its own distinctive and appealing identity.

Tony Barber is the FT's European comment editor

The Penguin History of Modern Spain: 1898 to the Present
by Nigel Townson
Allen Lane, 576 pages, £30

Architects of Terror: Paranoia, Conspiracy and Anti-Semitism in Franco's Spain
by Paul Preston
William Collins, 465 pages, £30

Lives lived against a ticking clock

Nilanjana Roy

Reading the world

The first story I was told about time, when I was about six years old, came from the *Mahabharata*. Time, according to the great Sanskrit epic, was immense, a wheel that rotated through cycles of creation (*sarga*) and destruction (*pralaya*), the birth and death of entire ages and worlds measured in aeons.

As a child — when an afternoon could contain an immensity of exploration — time certainly felt infinite. Yet, after just a few years in the workplace, I had adapted to the adult world, where time is scarce, measured in unforgiving hours and minutes. To be grown-up is to race against the clock, to believe that you are in danger of either wasting or running out of time.

Bookstores today are piled high with titles on productivity and time management — but two recent works of non-fiction approach this enormous subject in a more thoughtful way. *Hands of Time: A Watchmaker's History of Time*, by Birmingham-based watchmaker Rebecca Struthers, offers a history of timekeeping alongside a meditation on the value of our hours and days.

Meanwhile, in *Saving Time: Discovering a Life Beyond the Clock*, California-based artist and academic Jenny Odell sets out to find a concept of time that isn't limiting or distressing — "something other than time as money, climate dread or fear of dying".

Struthers takes her readers on a engrossing tour of timekeeping across the centuries — from the Babylonian calendar to the invention of sundials, ancient water clocks and candle clocks that capture some of the modern sense of the hours burning away, to the first clock towers, which were developed during the 12th and 13th centuries.

But it was during the Industrial Revolution, she writes, that time started to replace tasks as a measure of one's worth. As the British social historian EP Thompson once noted, as early as 1700 "the familiar landscape of disciplined industrial capitalism, with the time sheet, the timekeeper, the informers and the fines" had swung into action.

Struthers belongs to a rare profession, but her work has allowed her to be "an artist, designer, engineer and physicist" rolled into one, and she offers a key insight: "In western capitalist cultures, time is something we have, or don't have, save or lose, it marches on, it drags, seems to stand still and flies. Time thrums constantly underneath everything we do. It is the backdrop and the context for our existence and our place in what is now a supremely mechanised world."

Odell's 2019 book *How To Do Nothing: Resisting the Attention Economy*, became a surprise bestseller, and her new book *Saving Time* builds on many of those concerns about the frantic demands of modern life.

"I doubt burnout has ever been solely about not having enough hours in the day," Odell writes. "What first appears to be a wish for more time may turn out to be just one part of a simple, yet vast, desire for autonomy, meaning and purpose." As she explores the history of capitalism and labour, the phrase "time is money" takes on a far grimmer meaning; the history of selling time is, she writes, "specific and violent" — the first time sheets (as we would now call them) tracking labour were used on plantations.

In her workshop, Rebecca and her husband Craig Struthers (his illustrations are part of the marvellous appeal of *Hands of Time*) work through the day on tiny mechanical parts; "a watchmaker's world is often not much bigger than a thumbnail" but it is "all-consuming". If orreries — those gorgeous clockwork models of the solar system that became popular in the 18th century — are "our very human way of containing the universe", wristwatches, which were developed in the early 19th century, also mark a turning point for humanity, she writes. "By capturing cosmic events in a device that we can put on our wrist or hold in our hand, we are reassuring ourselves — perhaps misguidedly — that we can control the uncontrollable."

> For our ancestors, time was 'divided not by abstract numbers, but by natural events such as the seasons'

The great histories of time, such as Stephen Hawking's 1988 book *A Brief History of Time* and the Italian physicist Carlo Rovelli's 2017 *The Order of Time* offer dazzling, cosmic perspectives. But both Odell and Struthers pose a striking set of questions about how humans today experience time, and whether that relationship could — and should — change.

If Odell points to the pandemic as a turning point, a moment when the slow, fluid pauses of pandemic time made us doubt the tyranny of the clock, Struthers, for all her love of watches, reminds us that time for our ancestors "was divided not by abstract numbers, but by natural 'events', such as seasons and their related weather conditions."

It is no coincidence that these books, which invite us to admire the centuries of skill that have gone into timekeeping devices, and also to free ourselves of clockwatching, are written by an artist and a watchmaker — two professions that encourage practitioners to concentrate fully on the present moment. Struthers and Odell have, through their books, restored my childhood sense that time is ample, that the centuries stretching beyond our lifetimes are reassuringly vast.

The rapid rise and tragic fall of a tech wunderkind

How Zappos founder Tony Hsieh aimed for happiness but ended his life in squalor and delusion. By Andrew Hill

Wonder Boy: Tony Hsieh, Zappos and the Myth of Happiness in Silicon Valley
by Angel Au-Yeung and David Jeans
Torva £16.99
384 pages

Silicon Valley rise-and-fall stories have a similar trajectory and feel, from super-pumped product launch to ultimate disgrace — or even jail. Increasingly they lend themselves to lurid screen adaptations.

Wonder Boy, too, is reportedly to receive feature film treatment. But where the tales of excess at, say, Theranos or WeWork had elements of comedy, entrepreneur Tony Hsieh's story should play as tragedy.

That was the opposite of his intent. From his earliest adventures in business, Hsieh (pronounced "shay") set a goal of happiness, rather than riches. Even so, by the time he was 25, he had banked $32mn from the sale of an early venture. Suddenly — and, as it turned out, fatally — he had the wherewithal to pursue his target on a grand scale.

The first half of his story is about promise, hard work, risk-taking and success, particularly as Hsieh directs his talent to building footwear etailer Zappos. He sold the business to Amazon in 2009 for $1.2bn, having delighted Jeff Bezos with his devotion to customer service and happiness at work.

Hsieh kept his chief executive position and said the takeover would leave its culture unchanged. He went on to make his mission the regeneration of downtown Las Vegas, where Zappos has its headquarters. And yet his fame and success attracted yes-men, enablers, grifters, groupies and gurus, and he died in 2020, aged 46, from injuries sustained in an avoidable domestic fire while under the influence of drugs.

Angel Au-Yeung (now at the Wall Street Journal) and David Jeans, the duo who investigated the aftermath of Hsieh's death for Forbes, are not the first to explore what Hsieh sought to achieve. Two Journal reporters, Kirsten Grind and Katherine Sayre, wrote *Happy at Any Cost*, which covers similar ground and was published last year, while Aimee Groth focused on the flaws in Hsieh's Las Vegas Downtown Project in *The Kingdom of Happiness* (2017). *Wonder Boy* acknowledges a debt to both titles, and Hsieh's own much-hyped *Delivering Happiness* (2010).

Even as the world was reading glowing accounts of the revolution in workplace joy at Zappos (where Hsieh employed "fungineers" to create events for staff), the mental health of its architect was declining. Friends and family were unable to wean Hsieh from his dependence on alcohol, notably shots of the caustic Italian *digestivo* Fernet-Branca, as well as ketamine and, later, nitrous oxide. Compounding the danger, Hsieh laboured under the delusion that he was part of the "1 per cent of people that can use these substances".

> Even some of the non-chemically induced highs were illusory . . . the success wasn't all it seemed

Even some of the non-chemically induced highs were illusory. The success of *Delivering Happiness* was not all it seemed. A manic promotional tour around the US eventually drove some of Hsieh's staff to the brink of burnout, and Au-Yeung and Jeans write that Hsieh used a company that helps authors rise to the top of the bestseller lists.

In the hard-to-read final chapters of *Wonder Boy*, Hsieh and a self-interested entourage hole up during the pandemic at a sprawling ranch in Park City, Utah. Greedy supplicants latch on to his wild promises to fund ever more outlandish plans, while the entrepreneur's grip on reality is loosening under the influence of an addiction to nitrous oxide. "His room looked like a homeless shelter," Hsieh's brother said later in a court deposition. "There was faeces on the ground. Plants in his toilets . . . Rotten food under the bed. Rotten food on the walls . . . it was disgusting."

Hsieh had what it takes to succeed as an entrepreneur. He was a precociously brilliant student. He was able to inspire friends, colleagues and relative strangers simply by asking them, "If you could do anything in the world, what would you do?" He was not afraid to experiment with management methods, from flat hierarchy — using the controversial method known as Holacracy — to the benefits of "flow", a focused state of concentration.

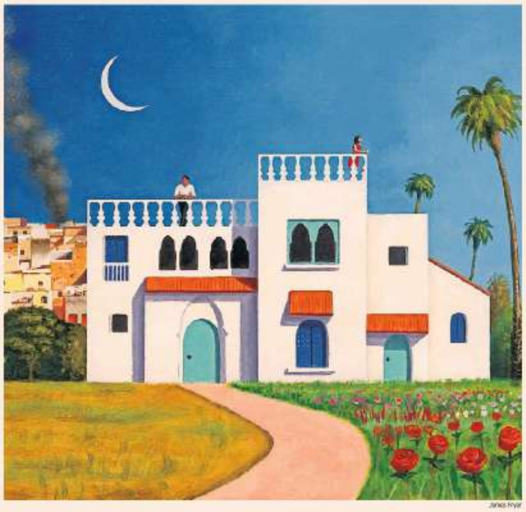
Once he spiralled out of control, Hsieh pushed these ideas to dangerous extremes. He used his fortune to bribe people to pursue his projects and to exclude those who saw danger ahead. *Wonder Boy* makes a strong case that during Zappos's upswing, such perils were mitigated by the input of two close colleagues and friends, who had formed a solid management "trifecta" with Hsieh, "keeping Tony's chaos under control". By 2014, both had left the company.

Hsieh once dreamt that Amazon would fall under the happiness spell he had cast at Zappos. *Wonder Boy* skimps a little on that business relationship. What is clear, though, is that since Hsieh's death, this magic seems even less likely to happen. Amazon has started taking closer control of Zappos, cutting jobs. Among those to depart, according to a Wall Street Journal report, was Zappos's original fungineer.

Books

Family arabesques

Leïla Slimani's sequel to 'The Country of Others' finds its ageing couple facing the social upheavals of Morocco in the 1960s. By *Diana Evans*



In her last novel, *The Country of Others*, Leïla Slimani turned her hand to historical fiction with a sprawling story of a French Catholic woman and a Moroccan Muslim soldier who find each other during the second world war. The next instalment in this planned trilogy that draws on her Franco-Moroccan ancestry, *Watch Us Dance*, is set in the 1960s and sees Mathilde Belhaj and her husband Amine still living on his inherited Meknes farm. Now middle-aged and frosty with one another, they are arguing about an impending swimming pool.

Mathilde has prevailed and the pool is going ahead. Why shouldn't they, after years lost to the ravages of war and laborious farm work, enjoy the luxuries made possible by their — or, more specifically, her — sacrifices? Born in Alsace, she left home and country to live with her husband in Morocco and has become disgruntled by its unforeseen realities, especially as the husband himself, his handsomeness intensifying with age, has proved wanting in his faithfulness. Perhaps it is guilt that has made him give in to the pool, despite his distaste for its show of decadence and indecency.

Then there are their children, whose lives play out in the complex social and political fabric of post-independence Morocco, where colonial attitudes have seeped insidiously into privileged parts of the national consciousness. Aïcha is a newly qualified doctor who returns from Strasbourg with a degree and first-hand experience of microaggressions, as well as skimpy, western affectations of attire that darken her father's mood. Her brother, Selim, is a far greater darkness to his parents, with his poor performance at school and apparent laziness. And then there is the aunt, the tragic yet beautiful, "feverish, misty"-eyed Selma, who forms an unseemly attachment to her nephew — together they come to believe their romantic suitability, despite its incestuousness, is ordained in the similarity of their names.

> There is a palpable love of land and people, and a pride that can be felt through the author's tone

It is the claustrophobia and restriction of the family structure that Slimani's narrative dissects with expert precision and perceptiveness, the characters' trajectories in the outer world largely defined by their positions within the fold, and vice versa. She is particularly good at charting the experiences of women in a way that is both expansive and intimate, and makes piercing, clever connections between land and self. "Women, thought Selma, are like those countries devastated by foreign armies, the earth scorched, the inhabitants forced to forget their own language, their own gods."

While the patriarchy casts an austere shadow over the lives of the women in the novel, it is also rendered with an element of faint, ridiculing humour. There is Aïcha's husband, for example, who is embarrassed by his wife's gynaecological specialism and wants her to keep it from people at parties, telling them only that she is a doctor, while at home "he rarely entered the kitchen and when he did it was only to ask her to bring him a drink". These precise moments of historic, universal chauvinism apply an enjoyable saltiness to the narrative, the persistent insult of male domestic indifference, such as a scene back at the farm when Mathilde, having cooked a meal for her son and husband, would like them to just get on and eat it instead of being annoyed with one another and, in Selim's case, storming off, leaving the food untouched.

Watch Us Dance
by Leïla Slimani, translated by Sam Taylor
Faber & Faber £16.99, 336 pages

One of the best things about *Watch Us Dance*, though, is its setting, the pastoral and the metropolitan, the enthralling passages of lush description, of trees and vegetation, "a forest of tamarisk, eucalyptus and thuja", a city that "twitched and quivered, creeping forward". Slimani's writing is beautifully atmospheric and has a panoramic, classic quality, excellently translated here by Sam Taylor. We are taken along the coastline of the port town of Casablanca, the beaches of Rabat and the lively social circles in between. There is a palpable love of land and people, and a pride that can be felt through the author's tone and vivid, colourful brushstrokes. It is both convincing and enveloping.

The 1960s is an era ever compelling to novelists, with its sexual freedoms and revolutions and searchings, and this is a book conspicuously relishing the vibrancy of its period. Wayward Selim stumbles into the drug-fuelled beach sites of free love, getting high with the hippies and losing himself in the smoke.

The expansiveness and ambition of Slimani's project is at the heart of its substance, its richness — yet by the same token, in keeping with its vaporous quality, there is also an element of detachment. Though full of clear impressions of life, everything is held at a distance by scope and sprawl; the lives are watched and told from without, rather than felt from within. The notion emerges that Slimani's storytelling has not quite been able to lose itself in the country of its making, the way it wants the reader to — that it is perhaps a little too attached to its research. Having said this, distant or not, there is more than enough here to hold the attention.

Diana Evans is the author of 'A House for Alice' and 'Ordinary People'

Power of the dog

By Adam LeBor

Being a writer, someone (probably a writer) once said, is like having homework for ever. There are so many aspects of the craft to be learnt: plot, storyline, characterisation, scene-setting and dialogue are just the start. Thriller authors need to add excitement, menace and betrayal. But arguably the most difficult ingredient to master is voice.

In **Ozark Dogs** (Headline, £22/Soho Crime, $27.95), Eli Cranor deploys his with formidable effect. The book sweeps the reader in from the first page, holding them hostage in small-town Arkansas, where the "sun sank behind the ruins in ribbons of red, long shadows running the length of the junkyard". The reek and barks of the junkyard's underfed dogs leap from the page. So do characters like Dime Ray Helly, a "round short man with a scrunched face that gathered near his jowls and puckered like the protruding ass of a monkey".

The junkyard's owner is Jeremiah Fitzjurls. Tough and engaging, Fitzjurls is a traumatised Vietnam veteran, a sniper still haunted by his kills, with enough weapons of his own to equip a small militia. His wife is dead, his son jailed for life for murder. Fitzjurls lives for his smart teenage granddaughter Joanna, guarding her ferociously as she turns into a woman.

But the Ledfords — a notorious family of white supremacist drug dealers — are out for vengeance and Joanna goes missing after her high-school prom night. Jeremiah must load up his arsenal and find Joanna. *Ozark Dogs* is a gritty, authentic triumph, one howling to be turned into a film or TV series.

Holly Watt's **The End of the Game** (Raven, £16.99) sees investigative journalist Casey Benedict go from saving a man's life at Royal Ascot to the shadowy world of international gambling, illicit data and computer modelling so complex it makes ChatGPT look like a Sinclair ZX80.

Watt previously worked as an investigative reporter for British national newspapers. The newsroom scenes are laced with the rivalry and insecurity that fuel every ambitious journalist. Investigative reporters also have their tradecraft and the story gives an intriguing window into how journalists dig for information and court their sources.

The narrative crackles with Watt's familiar energy as she ramps up the tension in Benedict's fourth outing. She is a determined and engaging protagonist and Watt is a talented writer. But she relies too much on dialogue for exposition and to move the story forward. The scene-setting can be sparse, the pacing staccato. Adjust these and she could yet move into the first division.

Some years ago I wrote a book about Swiss banks and Nazi gold. Switzerland supplied the Nazis with vital hard currency but it was Swedish iron ore that was soon turned into guns, shells and Panzer tanks — even as the Nazis occupied neighbouring Norway. Wartime Stockholm's ambiguous neutrality is the fascinating backdrop to Kjell Ola Dahl's **The Lazarus Solution** (Orenda, £9.99). When a Norwegian courier is killed on a cross-border mission, the government-in-exile tasks the writer Jomar Kraby with finding out what happened — a journey that takes him from Stockholm into Nazi-occupied Oslo, a city of fear bedecked in Swastika-banners.

Kraby is not a trained sleuth and is too fond of drink, but as his controller explains, "You look like a bohemian and an alcoholic. It's the best disguise there is." Never more than when Kraby finds himself among a group of German soldiers on the train to Oslo, telling them tales of ancient Viking kings and their lovers. Beyond his love for a drop of the hard stuff, Kraby is brave and determined as he navigates a dangerous landscape.

> The book sweeps the reader in from the first page, holding them hostage in small-town Arkansas

Don Bartlett's lively translation helps keep the story moving in this smart, intriguing historical thriller set in a lesser-known wartime arena.

Finally a brief mention for two more traditional but no less entertaining spy novels. James Wolff's first two books were international thrillers set in the Levant and Istanbul. **The Man in the Corduroy Suit** (Bitter Lemon Press, £9.99) unfolds in London and the decidedly less exotic Diss, Norfolk. MI5's Leonard Flood is on the trail of a retired colleague who seems to have been poisoned by the Russians — and disaster beckons for the security service. A slower pace and the domestic focus foster strong character development in this absorbing tale. Flood's poignant attempts to connect with his female colleague Franny eloquently illustrate the emotional isolation of the spy's inner life.

Tim Glister's **A Game of Deceit** (Point Blank, £9.99), the latest outing for MI5 officer Richard Knox, roams convincingly between swinging 1967 London and Hong Kong. The Chinese region is vividly drawn, a place of "deep shadow" and cloying humidity. There's a touch of James Bond here but Glister's tightly controlled, fast-moving story never veers into caricature.

Adam LeBor is the author of 'Hitler's Secret Bankers: How Switzerland Profited from Nazi Genocide'

Confessions of an everyman

Wang Xiaobo's account of life in China in the late 20th century is hilariously subversive. By Chris Allnutt

Golden Age
by Wang Xiaobo, translated by Yan Yan
Penguin Classics £18.99, 272 pages

The confessional may be a genre stretching back more than 1,600 years, but it was in 1992 that Wang Xiaobo made it his own. *Golden Age* is the Beijing native's semi-autobiographical account of the final decades of the 20th century in China — a no-punches-pulled satire in a country where few are written, let alone published — now released in its first full English translation.

When we first meet Wang Er — the shared surname hinting at the blur between character and author — he is a bawdy 21-year-old intellectual in exile, sent down from the capital to a rural commune in Yunnan during the Cultural Revolution in the late 1960s. There he embarks on an affair with a married woman, but is soon forced to come clean to the authorities. "Chen Qingyang and I had inappropriate relations. The end," reads the first draft of his confession. But this does not satisfy the local party bosses. They keep pressing for greater detail and he is only too happy to oblige, delving deeper and deeper into his hilarious recollections of the couple's so-called crimes. "I came to believe that I would spend the rest of my life confessing," he writes.

And so he does. In the book's second section, Wang is 32, a college biology lecturer in Beijing but unhappily married and forever dragging down the school's reputation. His newfound position of responsibility prompts reflections on childhood misdeeds: an ascent of the school chimney, a failed attempt to poison his teacher, a disastrous bomb-making exercise with his new lab assistant. And in the book's third and final part we find him in his "doubtless" forties: despite this supposed self-assurance, he is plagued by his decisions. Having been transferred to a teaching post at a mining school, he replays the deaths of two acquaintances in his head. Confessions spill effortlessly on to the page, from stealing pineapples to lusting after his boss's wife.

Wang the character is an everyman, a reluctant cog in the collective, a Good Soldier Švejk fighting the good fight against corrupt officials and nosy compatriots. But he is also acutely individualistic in a society where — among the lower classes, at least — the concept is not supposed to exist. As a favourite saying of his goes, "Don't be afraid of thieves, be afraid of thieves who remember you." Life is a precarious balance between social recognition — successful but exposed — and invisibility, which is safe but boring. Only in the "golden age" of his early sexual encounters does he seem to find these states reconciled; only with these lovers does his existence not seem incongruous.

But then Wang Xiaobo's protagonist is nothing if not incongruous: he claims variously to be a plumber, a watch repairer, a mechanic, a teacher and a poet; geographically he is subjected to the whims of the state; his narration is unreliable (he admits to changing names and dates) and driven as much by his libido as his intellect. "One could profess with complete sincerity, long live the emperor and the emperor must die, and believe that there was no contradiction between the two," he writes.

Such dissimulation was no doubt why Wang Xiaobo was able to publish at all: national figures are not mentioned by name, and local ones are largely dragged into sexual, rather than intellectual, politics. Even so, the first draft of the work was started in 1982, but it was not until 1992 that it first appeared in Hong Kong, and 1994 that an editor in the People's Republic was willing to risk publication, and the book was heavily criticised before it built up its cult following. By 1997, Wang was dead at the age of 44. In hindsight, the *Golden Age* of the title is as much one of late 20th-century literary innovation before the shadow of censorship was cast as it is a reflection on (happily) misspent youth.

To be imperfect and impetuous and inconsistent though — and to own those qualities — is precisely what allows both novelist and character to maintain critical distance from the regime they scorn, and also what makes *Golden Age* so enjoyable. Who said a confession had to be perfect anyway?

Political animals

The Westminster bodice-ripper promised by the PM's former adviser is not a patch on real life. By Henry Mance

Whips
by Cleo Watson
Corsair £20
400 pages

There are several things you can do after leaving government: lobby for shady regimes, give speeches to greedy banks or, if you are Boris Johnson's one-time chief adviser Dominic Cummings, vent your anger in interminable blog posts.

Next to those options, writing a novel seems almost to be encouraged. Cleo Watson, an adviser to Johnson and before that Theresa May, promised a bodice-ripper after leaving Downing Street in late 2020. Watson was not senior but she saw enough: she once claimed to have acted as "Boris's nanny", overseeing the prime minister's Covid-19 tests. An ally of Cummings, she was ejected after his fall because Johnson, she said, compared her to "an ugly old lamp" that reminded him of a past marriage. Her leaving do, inevitably, was accused of breaching Covid rules.

Whips starts by trying to draw a line between fact and fiction. The characters "have not been drawn from flesh and blood MPs or journalists etc", Watson scolds the Westminster village. "Honestly, not everything's about you." This put-down would be more powerful had the characters not plainly been drawn from flesh and blood MPs. There is the unclubbable female prime minister failing to get an international agreement through parliament (May), the womanising former prime minister still beloved of Tory party members (Johnson), and various other parallels — the manipulative wife, the bullying journalist, the sex-obsessed cabinet minister — that the Financial Times' libel lawyers would prefer I didn't detail.

The book is predictable in its serving of scandal. You encounter sex on pages 4, 37, 69 . . . although you have to put up with dialogue like: "Look, I'm pretty short on time so you can just shove it in dry if you want."

The narrative centres on three young university friends trying to make their way in parliament: political adviser Eva (the closest to Watson herself), unintimidated journalist Jess, and local campaigner turned MP's assistant Bobby. Each in her own way learns about the inevitability of political betrayal and the need to get your retaliation in early.

The vision of Westminster is mostly Cummings-esque: Conservative MPs are venal, egotistical and oblivious to what really matters to the public, ie the NHS. They dream of making the weather but are continually blown around stormy teacups. To underline the smallness of SW1, Watson begins each chapter with a reference to the wider world: "UK unemployment hits 6%/North Korea launches test missiles".

Whips joins the ageless genre of books about the dark heart of politics, recently including Sarah Vaughan's *Anatomy of a Scandal*. No publisher has gone bankrupt underestimating readers' respect for politicians. The main problem with *Whips* is its lack of guile. There are more Liberal Democrats in parliament than artful sentences in this book. Being in her early thirties, Watson should have been well placed to capture a new generation's experience of politics. But Eva, Jess and Bobby do not speak like Gen Z: they speak like parodies of Jilly Cooper characters, without the literary nods. Rishi Sunak, who apparently lists Cooper's *Riders* among his favourite novels, is in for disappointment.

The other problem with *Whips* is that the raw material is so much better. Once you have read about the real-life case of the MP who started watching porn in parliament after searching the internet for tractors, or the chief whip who kept a pet tarantula on his desk in a pathetic attempt to intimidate, the bar is quite high. Today, as in the mid-1990s, the fag-end of Conservative government is stranger than fiction. Watson's response is to wed her narrative too closely to events and then push a few details to extremes. At several points reading *Whips*, I thought I'd have more fun simply reading a newspaper.

Watson has a contract for a second novel, set around a general election. I wonder if it isn't too late for her to choose a more palatable option — like, say, lobbying for a middling autocracy.

Henry Mance is FT chief features writer

'Literature gives superpowers'

Georgi Gospodinov and Angela Rodel made history this week, with the first Bulgarian novel to win the International Booker Prize. By *Mia Levitin*

A child of the cold war, the Bulgarian author Georgi Gospodinov grew up when air-raid drills in bunkers were routine. When his novel *Time Shelter* was published in Bulgaria in 2020, he thought the title (a neologism in Bulgarian as in English) might be lost on readers too young to remember bomb shelters, many of which had since been converted to speakeasies and artists' studios. "Unfortunately, I was wrong," he tells me. By the time the English translation came out last year, after Vladimir Putin's invasion of Ukraine, "everyone [knew] what 'bomb shelter' [meant]".

I meet Gospodinov and Angela Rodel, who translated *Time Shelter* into English, in London the day after they have won the 2023 International Booker Prize. Fuelled by copious French press coffee, the two are tired but ebullient, having fielded congratulatory phone calls, including from Petar Stoyanov, former Bulgarian president, all night. "People haven't felt this proud to be Bulgarian since they beat Germany in the quarterfinals of the World Cup in 1994," Rodel says.

A poet and short-story writer before turning his attention to long-form fiction, Gospodinov explored existential questions about the human condition in his first two novels, *Natural Novel* (1999/2005, translated by Zornitsa Hristova) and *The Physics of Sorrow* (2011/2015). In *Time Shelter*, he returns to his principal preoccupation of memory but moves from the personal to the political, tackling the weaponisation of nostalgia. From 2015-16, he says — citing Brexit, Donald Trump and populism more generally — it was clear to him that "something dangerous could happen". Writing *Time Shelter* was an act of resistance: why should populist propaganda "seduce the people in a better way than me as a storyteller?"

Narrated by a man who bears a lot of resemblance to Gospodinov (a writer born in 1968 who signs off as GG), *Time Shelter* tells the story of Gaustine, a time-travelling alter ego who pops up recurrently in Gospodinov's oeuvre. Here a geriatric psychiatrist, Gaustine enlists the narrator to furnish stories for Alzheimer's patients at a "little clinic of the past" in Zurich. The "time shelter" replicates an era when they were happy, recreating the decor, media, music, even the scents and afternoon light.

The idea is not so far-fetched. "Dementia villages" are proliferating and include a facility in California that augments "reminiscence therapy" for Alzheimer's patients by recreating a 1950s home; a Dresden nursing home placates patients with an ersatz East Germany. Such staging may well work — a 1981 study by the Harvard psychologist Ellen Langer even found that health markers improved if subjects were taken back in time — but the deception of patients suffering memory loss raises ethical concerns.

Gaustine's clinic begins to offer different decades by floor, and the project expands to other cities. Hugely popular, the time shelters start to attract healthy patients seeking an escape from modern anxieties. The Greek root of "nostalgia", Gospodinov reminds me, relates to a place — it's a longing to return home. Now "space is reachable. You can be everywhere. But time is not. That's why we experience something that could be called *chronostalgia* — longing for the time, not the place."

Nostalgia can be dangerous, however, "especially when you're talking about the collective past". In a metafictional twist, *Time Shelter* develops an Orwellian scenario in which politicians hijack the idea of time shelters. As the dream of the union fades, the EU decides that each country should hold a referendum to determine which decade of the past they should adopt for the future. This culminates with the continent on the brink of a "second first world war". Our narrator flees, only to find his own mind disintegrating to dementia, adding a poignant reflection on the nature of memory and identity.

Despite the seriousness of its subject, Gospodinov's trademark wit is in full force in *Time Shelter*. That the humour is not lost in translation is testament to Rodel's talent. From Minnesota — hardly "a hotbed of *perestroika*" — she landed in Sofia on a Fulbright scholarship in 1996 and moved there permanently in 2004. In the spirit of the International Booker — which splits the £50,000 prize pot equally between the author and translator — Rodel, a musician as well as prolific translator of Bulgarian literature, has described the collaborative process as a duet. In addition to the two novels, she has translated short stories, essays, plays and an opera libretto of Gospodinov's.

Author Georgi Gospodinov (above) and translator Angela Rodel (left) photographed for the FT in London this week by Ollie Adegboye

'People haven't felt this proud since Bulgaria beat Germany in the World Cup quarterfinals in 1994'

Rodel has been effusive about the reaction to the prize in her adopted country. Before the announcement, she told the New York Times that Bulgaria "would have a collective orgasm if we win". The comment was "after like four glasses of champagne", she laughs, but given the Bulgarian media reaction, "I stand by it! We're not 'the saddest country on earth' any more," she says — referring to a 2010 piece in *The Economist* that ranked Bulgaria last in happiness relative to per capita income.

Time Shelter represents the first time a novel originally written in Bulgarian has been nominated for the International Booker Prize. Rodel explains that while there is a vibrant literary scene, the novel form is relatively young in Bulgaria, where an oral tradition prevailed historically, and poetry and the short story dominated in the 20th century. With no prominent dissident novelist like the Czech-born Milan Kundera to emerge in the post-Soviet era, Bulgaria "didn't make it on the map after the fall of the wall, when there was a lot of interest in eastern European writing".

It is certainly on the map now. Gospodinov and Rodel will undoubtedly benefit from a "Booker bounce" in sales, but Rodel believes that a rising tide lifts all boats: "As a translator, before, it was like, 'What? Where? Bavaria?' . . . but I've found it much easier to pitch Bulgarian literature now that we have people like Georgi and [also] Zachary Karabashliev who have kind of opened the door. So it's a win for all of us."

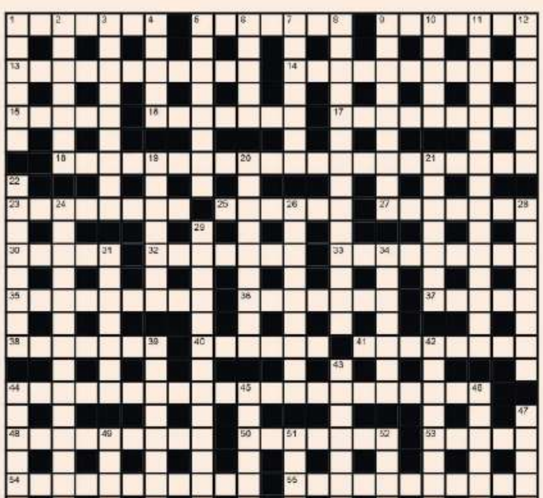
As for what's next for the pair, after their celebrations Gospodinov hopes there will be an appetite for an English translation of his 2013 collection of essays and stories, *Nevidimite Krizi* ("The Invisible Crises"). In it, he argued that behind the 2008 financial crisis was a deeper "crisis of the future, crisis of meaning". Today, "all these invisible crises" have become "very visible". In light of the war in Ukraine and ChatGPT, he says, "We're in defence of the human being."

Both Gospodinov and Rodel are nonetheless optimistic about the power of storytelling. "Literature," Gospodinov says, "gives some superpowers": it consoles, it offers meaning, it postpones the end. For him, as a child under communism, books were both a shelter and a portal to the world beyond the Iron Curtain. But "I would only borrow books from the library written in first person, because I didn't want the hero to die at the end of the book," he says. "When you tell your stories, you're still alive."

Diversions

ACROSS

1 Special protection for every spy (7)
5 Microorganisms in A&E gowns (7)
9 Picking up phone, superior disposes of everything (5,2)
13 Ask too little of subordinate diplomat (11)
14 Naval officer married a drunk, greatly ignoring the odds (4,7)
15 Uncertain state of bishop in luxury car (5)
16 Sausages and mash began last of our dates (7)
17 Unfinished business in lavatory observed by policeman (5,4)
18 Dim niece excited after announcement of free health care (13,8)
23 Club fee is steep (8)
25 Game in lane after housework (6)
27 Venerable German behind American superhero (7)
30 Regularly faic trip abroad for Triple Crown (5)
32 Self-inflicted setback that hurt organisation a lot at first (3,4)
33 Joining Oscar in house (9)
35 Conservative censored explosive climax (9)
36 Seconds away from madness and emptiness (7)
37 Faulty microphone finally records barking (5)
38 Run to corrupt politician for contract (2-5)
40 Male can, reportedly, like Songs of Praise (6)
41 School book without Head's introduction is better (8)
44 Living with someone slow-witted and sweet (5-3-6,7)
48 Saw person find fault with record (9)
50 Offspring of professional millennials (7)
53 Sheepish old rambler (5)
54 Sex limited by unusually great urge to throw up (11)
55 After initial exchange, chooses diminutive toady (11)
56 Opening of enquiry after bloke dined on sea cow (7)
57 Beginning new climb (7)
58 What you do next after vacation, financially sound (7)



DOWN

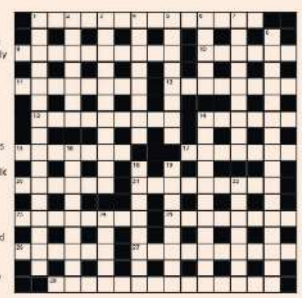
1 Small male, unattractive in a self-satisfied way (6)
2 Stop maltreating mice, common locally (7)
3 Some supper for mercurial artiste (9)
4 Woman retiring with sailor in lush facility? (5)
5 Key ally heartlessly mocks NATO radar, perhaps (8)
6 Bird always going north around end of June (5)
7 Coffee provider in Italian city station (7)
8 Ex-PM's stark victory south of Falklands port (7,7)
9 Note each time for popular series (4,5)
10 Fancy sons all shun slums and mess (5)
11 Overnight I slink about, being a mouse (9,6)
12 Piles bothered discontented spouse in old coat (7)
19 Limited hugs start to ease personal disappointment (5-4)
20 Result of playing with some lingo? (9)
21 In a perfect world one moves slowly conserving energy (7)
22 Turned up volume, beginning of infernal racket perhaps (4,3)
24 Charles, Edward and George's adversary smoked heroin (6,3,6)
26 My Oedipal complex? It's synthetic (9)
28 Hear again about US soldiers in record store (8)
29 Where drinker may go, and profit as well (4,3,7)
31 Came into possession of an indecent broadcast (7)
34 Wilful wife and husband leaving London gallery (7)
39 Clips rubbish suit material (9)
42 Leader manipulated admit lie (9)
43 Excited congress delegate returned punch (8)
44 Two males in coarse cloth (7)
45 Hardy girl going round back of Soho Place half-naked (7)
46 Like to be purged after corn and inedible meat (7)
47 Most otherworldly of eyes, totally enthralling (6)
49 Bird rues losing wings (5)
51 Unclothed dollies jump on board (5)
52 Ayes from Skye lasses, half-cut (5)

Solution 17,420

On Sunday, May 28, try solving our monthly news puzzle on the FT crossword app at ft.com/crosswordapp

ACROSS

1 1980 black and white film starring John Hurt as severely disfigured Joseph Merrick (3,8,3)
9 Herbaceous perennial of the buttercup family also called larkspur (10)
10 Bookmakers' telegraphy by arm signals at racecourses (6)
11 Velvety cord or yarn of silk or worsted (8)
12 Describing a device or trick intended to attract attention or publicity (8)
13 1946 spy film noir directed by Alfred Hitchcock (9)
14 Elementary textbook serving as an introduction to a subject (6)
15 The ... progressive rock band noted for the song Part of the Union released in 1973 (7)
17 Government instruction issued to news editors not to publish for security reasons (1-6)
20 A fruit stewed in sugar or syrup (6)
21 Official appointed in old English courts to test quality of beer brewed (3-6)
23 Edible molluscs with shallow ear-shaped shells lined with mother of pearl (8)
25 Large-scale, usually narrative musical work for orchestra and voices (8)
26 To win back something lost or expended (6)
27 The county town of Wiltshire (10)
28 Icelandic novelist who won the 1955 Nobel Prize for Literature (7,7)



DOWN

1 Short-term problems that occur in the early stage of a project (8,8)
2 To erase, especially a conviction from a person's public criminal record (7)
3 Insectivore named after a German naturalist born in the late 18th century (8,5)
4 Partner of Baucis in Greek mythology saved from a flood after showing hospitality to gods (8)
5 Treatise on astronomy written by the ancient mathematician Ptolemy (8)
6 Art ... US jazz pianist born in 1909 (5)
7 One who looks after and preserves collections of historical records (9)
8 Taxis licensed to collect passengers from a taxi rank (7,9)
14 A source of great and unexpected troubles (8,3)
15 Breed of US horse noted for its mottled skin and vertical-striped hooves (9)
18 A type of voice production by male tenors to sing notes higher than their normal range (8)
19 A structure, eg a wing, with curved surfaces to reduce drag and generate lift (8)
22 Black, coarse mineral (7)
24 Asian country with a double pennon as its national flag (5)

Solution 1,231

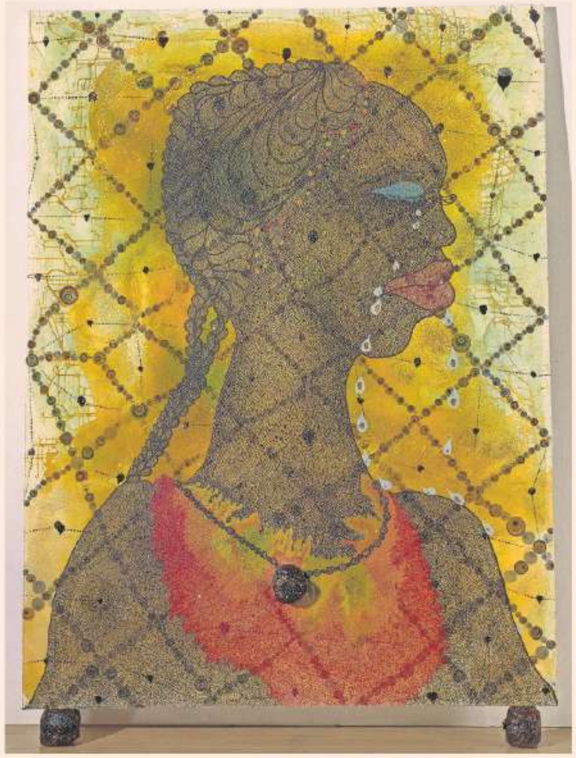
You can now solve our crosswords in the new FT crossword app at ft.com/crosswordapp

This week's jumbo crossword means the chess and bridge columns are online only and free to read. Find them at ft.com/chess and ft.com/bridge-card-game

Arts
Life&Arts

Tate rehang puts politics before art

Galleries | Social qualities come to the fore, with surprising juxtapositions. By *Jackie Wullschläger*



No one familiar with Tate Britain's recent exhibitions – from the joyful Caribbean-British panorama *Life Between Islands* to the ideologically heavy-handed *Hogarth and Europe* – will be surprised that the museum's rehang of its collection, completed this week, defiantly claims art as primarily social and political history. What are unexpected are the extreme gains coexisting with the downsides: the delights of revelatory 21st-century acquisitions, inspired juxtapositions, a collection refreshed and rethought, set against problematic selections prioritising subject over quality and a self-righteousness regarding the past, infuriating in the commentaries and disastrously infiltrating some of the contemporary works.

Replacing Penelope Curtis's studiedly neutral, decade-by-decade hang of 2013, the new display remains broadly chronological but is studded with thematic interventions, according to director Alex Farquharson's guiding principle of "relating art to society, Britain to the world and the past to the present".

It's an outward-bound approach delivering some stunning results. In a daybright gallery, late Turner's dissolving forms ("Sunrise with Sea Monsters"; "Norham Castle, Sunrise") are radiant alongside Mark Rothko's abstraction. (The American Rothko gave works to Tate because he admired its Turner connection.) A postwar highlight is Henry Moore and Francis Bacon battling sensibilities of societal healing against lonely existential anguish. A superb room of William Blake's and Chris Ofili's iridescent, mysterious watercolours absorbingly converges formal and intellectual concerns – blending figure and background, popular culture segueing into classical and African-Caribbean myth – shared across different epochs. Each is a small, finely tuned exhibition in itself, alone worth a visit.

That British art's strength, openness and eclecticism come from a mesh of influences, driven by immigrant energy, is Farquharson's chief, optimistic strand. It shapes the opening gallery, Exiles and Dynasties, tracing how émigré artists, led by Van Dyck – his satiny extravaganza "A Lady of the Spencer Family", attended by a spaniel darting off to chase a lizard, is a new exhibit – devised the visual language of Tudor and Stuart pomp and might. Four centuries later, looking back to royal iconography, the triumph of the final room is a lushly painted gilded throne standing sinister and empty, a reference to corridors of invisible, repressive power, in "Electric Chair" (2020) by Mohammed Sami, an Iraqi refugee now living and working in the UK.

Along the way Swiss painter Angelica Kauffman's "Portrait of a Lady" dazzles in a Georgian salon; American John Singer Sargent's Impressionist "Carnation, Lily, Lily, Rose", the children with lanterns painted in summer twilight, is the Victorian standout; and Colombian-born Oscar Murillo reinvigorates paint as dissent with "Manifestation" (2019-20). This turbulent collage of stitched and broken canvas, weighty impasto, waves of bright and obscured

colour, alludes to protest movements and implies in its overlapping, contested forms the urgency of different voices breaking through.

For whom do paintings speak? At least until the 19th century, works entering the canon, like history itself, told the victor's story, and Farquharson's attempt to challenge this determines his provocative historical hang. A lovely intervention in the baroque gallery, 1640-1720, is Nils Norman's installation "Sparkles of Glory" (2022), sprinkled across the undistinguished portraits of Civil War politicians and royalist grandees. Reproductions of pamphlets by journeymen protesters the Levellers and Ranters line the walls; their texts blare from a miniature model city – church, tavern, Banqueting House with the scaffold where Charles I lost his head – which comically (and comfortably) doubles as visitor seating, pulling us into the working-class experience of the Civil War world turned upside down.

But when you hit the 18th century, humour vanishes. Captions admonishing Gainsborough's and Reynolds' white subjects, enriched by colonial trade, become relentlessly hectoring, and Tate has not learnt from its misjudged Hogarth show. The crassest caption there was artist Sonia Barrett's suggestion that Hogarth's chair, "made from timbers shipped from the colonies", stood for "all those unnamed black and brown people enabling the society that supports his vigorous creativity". Here that is made solid with an actual mahogany chair smashed up by Barrett

Clockwise from top left: Installation view of Tate Britain's rehang featuring works by Henry Moore and Francis Bacon; 'No Woman, No Cry' (1998) by Chris Ofili; 'Portrait of a Lady' (c1775) by Angelica Kauffman; 'Chiddy Doing Rene's Hair' (2019) by Rene Matić – Tate

and placed centrally in the gallery devoted to Hogarth's and Canaletto's London – nonsense insulting to pioneering, democratic painters and to audiences.

Where the display does excel is in giving prominence to early works which appear ambiguous towards the status quo. Is John Simpson's "Head of a Man", depicting African-American Shakespearean actor Ira Aldridge, a romantic image of black interiority or a controlling attempt to impose European ideals of beauty on a black figure? Does Johann Zoffany's "Colonel Mordaunt's Cock Match", teeming vista of Anglo-Indian society in Lucknow, document cultural fusion or British dominance?

John Opie's tender "The School Mistress", a new acquisition, claims the tradition of grand Georgian portraiture for an anonymous workaday subject. Pauline Boty's "The Only Blonde in the World", depicting Marilyn Monroe in a boa as fleeting, feathery, squeezed and isolated between huge panels, distils both the glamour and the costs of the sexual revolution. It looks fantastic alongside David Hockney's "A Bigger Splash" poster-painting for 1960s freedoms.

The 20th-century galleries tilt towards public rather than private statements: dedicated rooms for feminist campaigner Annie Swynnerton and political radical Richard Hamilton, rather than Lucien Freud or Leon Kossoff, for example.

It is encouraging that half the modern works are by women, but the selection bafflingly excludes great, beloved pieces from the museum's collection, while money has been squandered on the inept. A feeble nude trailing a bouquet is "Flora's Cloak" by Gluck – bought with funds provided by betting magnate Denise Coates – but absent are Cornelia Parker's "Thirty Pieces of Silver", metal crushed and suspended into trembling new life, and Paula Rego's "The Dance", the lone, tragic dancer among the whirling groups, painted after her husband's death. Are these haunting metaphysical works insufficiently political to win space here?

The most recent purchases, Lubaina Himid's formulaic reworking with black figures of Tissot's "The Gallery of HMS Calcutta", and thoroughly banal photographs by non-binary artist Rene Matić, seem to me quota-ticking, though it's notoriously difficult for museums to get contemporary acquisitions right. But sometimes they do, and as a result the 1990s gallery is thrilling: Peter Doig's enigmatic, menacingly beautiful "Echo Lake" faces Chris Ofili's glitter and elephant dung canvas of mourning "No Woman, No Cry".

How marvellous that at the time, amid the YBA conceptual noise, Tate had the insight to purchase the monumental paintings which became the icons of that decade.

Doig's, sourced from the horror film *Friday the 13th*, is about memory and unease though carries no discernible message. Ofili's portrait of weeping Doreen Lawrence, whose teenage son was murdered, is Britain's most significant painting about race. Equally moving, seen together they remind us that, although it is appropriate that in 2023 Tate's British collection is staged to reflect tensions of Brexit, Black Lives Matter, the migrant crisis, it is not politics but artistic conviction and imaginative invention that enduringly enthral.

tate.org.uk

THE LIFE OF A SONG

TUBULAR BELLS

Pity the artist forever fixed in the public mind by their opening statement. Orson Welles spent a lifetime trying to live up to *Citizen Kane*. And a shy young man from Reading, his mental health damaged by teenage LSD ingestion, spent decades living up to a mostly instrumental album he released on a little independent record label a few days after he turned 20.

Mike Oldfield probably didn't anticipate his future when *Tubular Bells* was released 50 years ago, on May 25 1973. Who would think a largely beatless 49-minute album, consisting of two tracks, would alter the shape of the British music business (and, indirectly, dozens of other things) and create a new style of music – chill-out – which became ubiquitous?

The former happened because *Tubular Bells* – an instant smash – was the making of Richard Branson, who managed Oldfield, and put out the album as the first release on his nascent Virgin label. From the fortunes that arrived flowed all the Bransonian ventures that followed. The latter can be heard in all those contemporary classical artists – the likes of Ólafur Arnalds – who make glassy, electronic-inflected instrumental music (such as his "Near Light").

From its release, *Tubular Bells* was pumped up and polished. BBC DJ John Peel played it in full on his Radio 1 show, proclaiming it "remarkable", then described it in The Listener magazine as "a new recording of such strength and beauty that to me it represents the first break-through into history that any musician has made".

In Rolling Stone, writer and future BBC Radio 2 mainstay Paul Gambaccini gushed: "Trying to convey what *Tubular Bells* bears musical resemblance to is fruitless. I remembered music by Sam Cooke, JS Bach and Dick Rosmini . . ."

Gambaccini was one of many writers to comment on the "thousands" of overdubs said to have been required for Oldfield to play all the instruments himself. "It was really only 70 or 80 – the figure became exaggerated," the record's engineer, Tom Newman, admitted a couple of years later.

Yet it remained a record for the "heads" who listened to Peel's late-night radio show until film director William Friedkin realised that Oldfield's opening theme – a simple keyboard pattern that repeated and mutated, to conjure up the constant movement of the sea – sounded like music to summon the devil. Once placed in Friedkin's 1973 film *The Exorcist*, *Tubular Bells* exploded. Its presence in the film is brief – it plays for less than a minute during a scene in which Ellen Burstyn is walking through Georgetown – but it is powerful and suggestive, and *Tubular Bells* ceased to be the remarkable solo project of a young prodigy but the music from that film where the girl's head rotates 360 degrees.

Inevitably, someone smelled money. Surprisingly, it wasn't Branson. Virgin's US distributors, Atlantic, cobbled together a shocking three-minute edit of the opening of *Tubular Bells* and put it out as a single without Oldfield's consent in 1974. It reached the US top 10, and the album went to number three. Oldfield himself did the edit for the UK single, released later the same year under the title "Mike Oldfield's Single (Theme from Tubular Bells)", which confoundingly contained none of *The Exorcist* section.

Of course, there aren't exactly covers of *Tubular Bells*, save by Oldfield himself, who re-recorded the whole album in 2003, having already offered the world *Tubular Bells II* and *Tubular Bells III*; he also released a remixed version in 2009 after the rights reverted to him. But its presence in pop culture is constant: that opening theme has been a staple sample for rappers and R&B stars for years. The list is too long to print, but includes Janet Jackson ("Velvet Rope"), Nas and Prodigy ("Self Conscience"), Three 6 Mafia ("Threesixafix"), Freddie Gibbs ("Forever and a Day"), Ice T ("Gotta Lotta Love") and dozens more.

Mike Oldfield's little melody about the sea doesn't belong to him any more; it defines him.

Michael Hann

More in the series at ft.com/life-of-a-song

Below: Mike Oldfield playing bass guitar in the studio, c1973
Charlie Gillett/Redferns

Of kings and counterculture

Aldeburgh Festival | Fresh from performing at the coronation, baritone Roderick Williams is pushing classical music's boundaries. By *Richard Fairman*

Left: Roderick Williams photographed for the FT by Lydia Goldblatt

Right: Williams in a PVC miniskirt in Gerald Barry's 'The Triumph of Beauty and Deceit' at the Aldeburgh Festival 2002

Below right: Williams in rehearsals for the coronation of King Charles, 2023

Clive Barda/ArenaPAL; Ben Cawthra

There are some performances people never forget. For Roderick Williams, baritone of inimitable good sense and evident sang-froid, the production of Gerald Barry's opera *The Triumph of Beauty and Deceit* at the Aldeburgh Festival in 2002 comes top of the list.

Two decades on, the thought of it still makes his hair stand on end. "It is a fearsome piece, hard to sing and a tough experience even for the audience," he says, "but I got right under its skin and am very fond of it. Imagine me in a tight white PVC miniskirt, boots laced up to my knees, a huge wig and covered in fake blood and chocolate body-spread, singing one of the hardest arias I have ever faced, while standing on top of a coffin, trying not to fall off. That's the sort of thing you do at Aldeburgh."

Well, maybe — 20 years have gone past without anything remotely like it being seen again, but Williams has made his point: the Aldeburgh Festival has a sense of adventure few others in the UK can rival.

This summer, more than 45 years after the death of the festival's co-founder, composer Benjamin Britten, Aldeburgh continues to push boundaries, introducing new composers, new music and new ideas about music in performance. Williams is a featured artist this year and has his own imaginative plans to vary the usual expectations.

"I came up with some proposals, more or less on the back of an envelope, and Roger Wright [chief executive of Britten Pears Arts, which runs the festival] said yes to all of them," he says. "It is so unusual in our business for someone to say yes without qualification — no trimming of the budget, no compromise in my vision. Being so artistically minded, Roger is able to realise your dreams in full. That is the Aldeburgh way."

One example is a recital of protest songs, for which Williams wanted not one singer but two and spoken readings as well. The idea is to present the audience with songs they feel they know well

> 'Why has Lusitano's music been neglected? Is it because of the colour of his skin?'

but in a new context. "We have a very specific idea of what we mean by protest songs," says Williams. "Mostly we have modern images in our heads, from the 1960s or 1970s, taking in the Vietnam war, Greenham Common and folk-inspired music like Bob Dylan. But what does protest mean in song? More loosely, it can simply mean to put across a message or a desire to be heard," which he hears as much in the small environmental tragedy of a trout trapped by man in a Schubert *Lied* as in Dylan.

Among the other events in Williams' selection are new works and new versions of old ones. He will join the Sinfonia of London for the premiere of Sally Beamish's newly orchestrated *Four Songs from Hafez*, settings of the 14th-century Persian lyric poet, and that will be followed by the premiere of Ryan Wigglesworth's *Vignettes de Jules Renard* with the Knussen Chamber Orchestra.

Alongside these come Williams' own arrangement of Schubert's *Die schöne Müllerin* for baritone and string quartet and an intriguing concert by the Marian Consort. This will pair music by the 16th-century Portuguese composer Vicente Lusitano, believed to be the first composer of African descent to be published, and a tribute to Lusitano by Williams himself. "That is an act of love on my part," he says. "Why has Lusitano's music been neglected? Is it because of the colour of his skin? Is it the same [fate that befell] women composers whose work is now coming to the forefront?"

In the breadth of his musical experience, Williams is something of a renaissance man. Like some of the leading performers of the previous generation, such as Janet Baker and Dietrich Fischer-Dieskau, he has won equal renown in opera, concerts and song recitals, and is becoming recognised as a composer in his own right.

An estimated 20mn people in the UK recently had a chance to see the Williams double act when he appeared as both performer and composer at the coronation of King Charles III. He says the invitations surprised him, not least because they came from different people at different times.

"I had a phone call from Andrew Nethsingha [who was in charge of the coronation's music] a week or so before Christmas. He said: 'Can I speak to you confidentially about something?' I have two nephews in the [Westminster Abbey] choir . . . and I assumed it was about them. Instead, I was completely wrongfooted when he announced he has just been to see His Majesty and I was invited to sing at the coronation."

His impressive appearance as soloist in Henry Walford Davies' *Confortare* was all too brief, not least because he looked as if he was genuinely enjoying himself. That blink-and-you-miss-it contribution had been preceded in the opening concert by his own composition, the central panel (flanked by two other composers) of *Be Thou My Vision — a Triptych for Orchestra*, inspiring music that surely calls out to be turned into something larger so it does not get forgotten. Other recent compositions include a celebration for the 2018 centenary of the RAF, named after its motto, *Per ardua ad astra*, and a new work this summer for the 250th anniversary of the hymn "Amazing Grace".

"There is a lot of waiting around in our business," he says, "in airports, on planes, in hotels. A long-haul flight can be four or five valuable hours with an unbroken train of thought for a composer . . . I used to write songs to perform myself, so it was a magical moment when friends took my songs and made them more than the sum of what was on the page."

Perhaps that has helped to inform Williams' humility. "I am not under any illusion about searching for immortality as a composer," he says. "If history passes me by, and in a few generations nobody knows any of my music, that is fine by me. I enjoy conductors and singers performing my music now. I am enjoying my music in the present."

The 2023 Aldeburgh Festival opens on June 9, brittenpearsarts.org

Film | There was controversy on the Croisette this year – but the most vivid dramas were still on the big screen, writes *Raphael Abraham*

Seeing red at Cannes

The Cannes Film Festival in any year is a place of jolting contrasts. High-minded art rubs shoulders with pure schlock; mega-budget producers bestride the red carpet while, in the Cannes Market below, bargain content is bought and sold; paparazzi jostle to snap the world's most beautiful people even as, just out of shot, journalists scuttle past a tad less glamorously.

This year there was an extra edginess in the air from the off. Protesting electricity workers threatened to plunge the whole event into darkness and Johnny Depp's appearance for the opening film raised hackles. Even the weather played its part, days of constant rain turning the Côte d'Azur grey. Security staff irked delegates by refusing them entry to films they had tickets for. Eventually, even festival director Thierry Frémaux lost his cool in an altercation with a policeman that soon went viral.

But what really matters in Cannes is cinema, and on the big screen too the mood changes were pronounced. No sooner had the cartoon Nazis of *Indiana Jones and the Dial of Destiny* been dispatched than they were replaced by an all-too-realistic kind in Jonathan Glazer's stunningly good *The Zone of Interest*. The title is taken from a 2014 novel by Martin Amis, who died on the day of the premiere — but not much else is. Glazer wisely eschews the book's comedic and romantic aspects, opting for an approach that is ascetic, deathly serious and devastatingly effective.

The setting is a 1940s German family home that appears at first unremarkable: Hedwig (Sandra Hüller) fusses over domestic affairs; Rudolf (Christian Friedel) comes home from work and plays with the children. And then it comes into view: the unmistakable watchtower, the barbed wire. Smoke billows sickeningly into the garden. The name Höss is the final giveaway: we are at home with the commandant of Auschwitz and his clan, living happily next door to the camp where more than a million people are being slaughtered.

The camera maintains a cool detachment throughout, static shots capturing routine life and gruesome details with no discernible shift in register. This is Hannah Arendt's "banality of evil" made motion picture with the matter-of-factness of reality TV. But the audio tells a different story, Johnnie Burn's astonishing sound design and Mica Levi's oppressive score coalescing into a sonic masterpiece. The house resounds with a constant low rumble that suggests the murderous machinery at work next door; trivial chit-chat is punctuated by distant gunshots and screams. The Hösses never flinch. Hedwig is more distraught at the idea of being moved from this "paradise".

The mind boggles and the stomach churns; this is a film that elicits a faint nausea throughout. Glazer has achieved something much greater than just making the monstrous mundane — by rendering such inhumanity ordinary he reawakens us to its true horror.

Sandra Hüller was at the centre of another standout film in the Competition for the Palme d'Or. Justine Triet's *Anatomy of a Fall* is a crackling crime and courtroom drama in which Hüller plays a writer accused of killing her husband. Triet builds a taut did-she-do-it tension while also working in discomfiting questions about marital power dynamics and how much an artist's work really reveals about their character. Set in the French Alps, the film reaches a shrill peak in a scene of escalating argument, Hüller exhibiting the same mesmerising control as in *The Zone of Interest* while almost frothing at the mouth. She deserves the Best Actress prize, if not two.

Next, the big-hitting American directors and stars came out. Another strained marriage was at the centre of Todd Haynes's *May December*, which casts Julianne Moore as Gracie, a sex offender turned cake-making mother of a large Georgia brood, and Natalie Portman as Elizabeth, the actress preparing to play her in a movie. Gracie is twitchy even before Elizabeth arrives. The camera zooms in as she opens the fridge and melodramatic chords signal disaster. "I don't think we have enough hot dogs," she gasps.

If this is now the height of her problems, it wasn't always so. She and younger husband Joe (Charles Melton) survived a tabloid feeding frenzy 20 years earlier. Their first encounter was no meet-cute but a romp in the back room of a pet store when Joe was just 13. The premise is promising, but Haynes tries to have his cake and eat it too, asking us to take the troubling subject of a marriage founded on statutory rape seriously while making ironic gestures towards the soapy excesses of telenovelas.

Better, though baggy, was Martin Scorsese's highly anticipated *Killers of the Flower Moon*. Having capped off his decades-long cycle of Italian-American gangster movies, the great director settles on another bloody chapter in US history: killings in a community of Native Americans in 1920s Oklahoma. The 216-minute epic begins with the beaming faces of Osage Nation people as oil is discovered on their land. It doesn't take long for wolfish white faces to appear alongside them, bringing with them alcohol, sugar, diabetes and death.

Robert De Niro is conniving cattle ranger William "King" Hale, who ingratiates himself with the locals while fixing his eyes firmly on their newfound wealth. Leonardo DiCaprio is his nephew Ernest Burkhart, money-hungry too but gullible. Hale steers Burkhart towards a union with Osage woman Mollie Kyle (Lily Gladstone), but marital bliss is shortlived; one by one, her family members meet with early and gruesome deaths. Can nothing be done to stop the slayings? As one character puts it: "You got a better chance of convicting a guy for kicking a dog than killing an Indian."

It is Mollie who eventually travels to Washington DC — ailing though she is — to demand help. Federal agent Tom White (Jesse Plemons) arrives too late to rescue the dozens already slaughtered, but for the film it's a boon, his inquiries ratcheting up the tension.

However, what stays with you is the devastation etched into Gladstone's face as the final revelations come.

There was more brutish behaviour in *Firebrand*, which puts Alicia Vikander's iconoclastic Catherine Parr at the centre of Tudor history even as Jude Law's Henry VIII does his best to eclipse her. Law spares us nothing, especially in grunting bedroom scenes in which Old Coppernose struggles to get his gangrenous leg over. Brazilian director Karim Aïnouz handles the material well, though the period details are patchy in parts: some of the beards resemble specimens from a seaside joke shop, while Vikander's tanned Parr looks like she's just back from two weeks in Rio.

The stars aligned for *Asteroid City*, whose cast list reads like an A-list phone directory. A minutely arranged homage to 1950s space nerds and star-crossed lovers, Wes Anderson's latest is set at an amateur astronomers' convention in a desert the colour of Dorito dust. All the retro stylings are present and correct, the director ingeniously turning a 3D world into a series of 2D tableaux and filling them with myriad meta details.

It's guaranteed to delight devout Wes-heads but unlikely to convert those who have strayed from the faith, even if it's an improvement on *The French Dispatch*. The new film at least has an emotional centre, with Jason Schwartzman's freshly widowed war photographer dad wooing Scarlett Johansson's movie-star single mom through a window. There's even a dash of gentle satire: "America remains at peace" runs a slogan even as cold war mushroom clouds rise in the background.

There was more whimsy from Wim Wenders in his Japanese-language contender *Perfect Days*. It's tempting to call it the German director's best film since last Wednesday, when his 3D documentary portrait of the painter Anselm Kiefer premiered here. In fact, you would have to go much further back to find a better feature from the maker of *Paris, Texas* and *Wings of Desire*.

It doesn't sound promising on paper: Wenders swaps paintbrush for toilet brush in the unexpectedly buoyant story of an itinerant Tokyo public lavatory cleaner. The taciturn Hirayama (a marvellous Kōji Yakusho) is patient and meticulous in his work; Wenders is too, both men finding a fascination in the everyday. This is an ode to life's little pleasures: Hirayama listens to a favourite song on his way to work, retires to bed with a good book, enjoys an unexpected visit from a niece with whom he gets on well. An excitable colleague tries to convince him to trade in his newly fashionable vintage cassettes — Bowie, Reed, Simone — for large amounts of cash but Hirayama is serenely content with his lot. The film's subtitle could be *Zen and the Art of Toilet Maintenance*. We lovers of arthouse movies have learnt to fear the worst: as the days pass without dramatic incident we keep waiting for the hammer to fall. It would be a spoiler to reveal if it does, but suffice to say that Wenders leaves you smiling. Until, that is, you realise the small fortune you could have made on your old tapes.

It would have been a happy note for this Cannes to end on but there were still more films to come and prizes to be awarded. Outside the screenings rooms too the mood brightened as the sun came out and the Ray-Bans returned. Perfect days indeed.

To May 27, festival-cannes.com

Clockwise from main: photographers surround model Jasmine Tookes on the red carpet at Cannes; Justine Triet's 'Anatomy of a Fall'; Wim Wenders' film 'Perfect Days'; Scarlett Johansson in 'Asteroid City' — Getty Images

TV's hunger for real-life court cases

UPSTREAM

FIONA STURGES

In late 1994, a murder trial began gripping the world, dominating news headlines for much of the next year. The American football legend OJ Simpson had been charged with killing his ex-wife Nicole Brown and her friend Ronald Goodman (Simpson was subsequently acquitted).

Dubbed "the trial of the century", it had TV news channels poring over the details of the case around the clock. It made stars of its major players, including Simpson's lawyer, the late Robert Kardashian (whose wife and children went on to become reality TV stars), and spawned scores of documentary films and a hit drama series in Ryan Murphy's *The People v OJ Simpson*. All this because of the decision by the judge to allow TV cameras into the courtroom.

Viewers old enough to recall the Simpson feeding frenzy may well have experienced *déjà vu* last year as a fraught legal battle between actors Johnny Depp and his ex-wife Amber Heard unfolded in a Virginia courtroom. Depp launched a $50mn lawsuit against Heard following her 2018 op-ed in The Washington Post in which she stated she was "a public figure representing domestic abuse". Heard filed a countersuit in which she accused Depp of defaming her by claiming her allegation was fabricated. The decision to allow cameras into the courtroom unleashed a ghoulish seven-week spectacle in which the intimate and often unsettling details of the couple's relationship were relayed around the world.

Now, nearly a year on from the verdict — the jury found in favour of Depp, though Heard won on one aspect of her countersuit — the case has been revived in *Depp v Heard*, a three-part Channel 4 series by director Emma Cooper. Containing courtroom footage, news reports plus an avalanche of commentary from podcast hosts, vloggers, TikTok-ers and sundry amateur reporters, the series considers the contrasting perceptions of Depp and Heard as portrayed online. While some following the case sided with Heard, citing the case as a landmark in the #MeToo movement, many more allied themselves with Depp, with hundreds turning up to the courtroom each day to show their support.

Cooper's isn't the first film to capitalise on the clamour surrounding the case: the Discovery Plus network was quick off the draw with last year's *Johnny vs Amber: The US Trial*, a sequel of sorts to *Johnny vs Amber*, the same channel's film about Depp's 2020 libel case against The Sun newspaper (the paper had published an article that called him a "wife beater"; Depp lost the case). Last autumn *Hot Take: The Depp/Heard Trial* was released, a straight-to-TV drama based on news reports and court transcripts that was every bit as crude and unappetising as it sounds.

So why the fascination? Perhaps because seeing a celebrity cross-examined, rendered vulnerable while revealing the private details of their lives, appeals to viewers' prurient impulses and because, in the age of social media, everyone has an opinion — a fact that is not lost on TV producers.

Last year's Vardy vs Rooney libel case in London, nicknamed the "Wagatha Christie" trial, similarly caught the public imagination; although cameras were not allowed in court, it was exhaustively reported and has yielded a TV drama starring Michael Sheen, a West End play and multiple documentaries.

Johnny Depp outside court in Fairfax in May 2022

Of course, the case of Vardy vs Rooney was a comparatively low-stakes event — Coleen Rooney, spouse of footballer Wayne Rooney, had accused fellow footballer's wife Rebekah Vardy of leaking stories from her private Instagram account to the press, prompting Vardy to sue unsuccessfully. By contrast, the courtroom allegations made by Heard against Depp were more serious, involving domestic violence. But as with the OJ Simpson case, this hasn't stopped TV producers from repackaging the proceedings as entertainment.

For all its pretensions of social commentary, *Depp v Heard* feels like still more opportunism, inviting us to compare the two actors' versions of events while once again broadcasting the trial's more unpleasant, headline-grabbing moments. What separates Cooper's series from the other films on the Depp/Heard case is this attempt at moral judgment. The series rearranges the timeline of the case to present Depp and Heard's testimony side by side (in fact they were delivered a fortnight apart), while offering a critique on the toxicity of the online world in which sharing clips and taking sides on an inflammatory topic can boost the income of content creators. What Cooper and her team don't acknowledge is that they deploy the same tactics with their film.

'Depp v Heard' is available on Channel 4

The hard graft of a visionary

Van Gogh | A New York show homes in on the artist's tireless work ethic and battle to balance emotion with objectivity. By *Ariella Budick*

Try to define genius, and you may find yourself thinking of Vincent van Gogh. In the popular imagination – and, for a long time, in mine – he represented the essence of the untameable spirit, "a brain suffering under the burning of a star", as Paul Klee described him. There's something irresistible about that idea: a mind that can summon a masterpiece in a spasm of mad inspiration. But it's a cliché, and it can lead to lazy judgments and a torpid eye. Fortunately, the jab of a sharp exhibition can jolt us into paying proper attention.

Van Gogh's Cypresses at the Metropolitan Museum homes in on one of his most dogged obsessions and under-appreciated capacity for hard, meticulous work. "Talent is a matter of patience over time," Flaubert wrote. "It involves studying everything one wishes to express, long enough and with enough attention to find an aspect of it that no one has seen or spoken of." Van Gogh took that sentiment to heart. Preoccupied with trees for two years, he ached to paint them as forces gyrating with unquenchable life, but also as manifestations of his own distinctive perception.

Van Gogh is partly responsible for his caricature as an expressionist who slapped torment and joy on to canvas. He referred to colours in emotional terms ("a note of intense malachite green . . . something utterly heartbroken") and described his compositions as intense bursts of feeling. "They are immense stretches of wheat under a troubled sky," he wrote to his brother Theo. "I had no difficulty in trying to express sadness and extreme solitude."

But curator Susan Alyson Stein guides us away from this portrait of the artist as ur-emoter and towards a picture of him as relentless perfectionist. He had settled on the cypress as a principal theme by the spring of 1888, comparing its elegance of line and proportion to an Egyptian obelisk. Over the next year, it migrated from the edge of his consciousness – as a needle-like spire in the distance – to the hub of his imagination. He returned to it over and over, painting cypress-lined bridges and shaded parks, determined to capture the trees' elusive essence. "No one has yet done them as I see them," he wrote to Theo.

Clockwise from main picture: 'The Starry Night, Saint-Rémy' (June 1889); 'Cypresses' (June 1989); 'Landscape with Path and Pollard Willows' (March 1888) — Museum of Modern Art; Metropolitan Museum; Van Gogh Museum

Finally, in an explosion of creative vigour, propelled by well-honed technique, he achieved the apotheosis of the evergreen in June 1889. First came "The Starry Night", with its torch-like conifer leaping towards the blazing sky. "Wheat Field with Cypresses" followed, full of torrid brushstrokes whipping across golden swards and through wind-tossed branches, then swirling into creamy clouds. Soon after, Van Gogh painted "Cypresses", a close-up rendered in whorls of black, blue and green, speckled with hints of purple and brown. The yellow crescent moon from "Starry Night" reappears by day, now placidly presiding over the unpeopled earth.

The tree nearly felled him. He produced multiple versions and, far from splattering his feelings all over the place, struggled to keep effusions in check so that his vision would remain limpid. "Until now I have not been able to do them as I feel it," he wrote to the critic Albert Aurier. "In my case the emotions that take hold of me in the face of nature go as far as fainting, and then the result is a fortnight during which I am incapable of working. However, before leaving here, I am planning to return to the fray to attack the cypresses."

For the first time in more than 120 years, two versions of "Wheat Field with Cypresses" hang side by side at the Met: his exuberant first attempt, executed outdoors in the Provençal summer, and the more deliberate copy he made in his studio the following autumn. (A third, in ink on paper, translates his buoyant brushwork into a profuse graphic lexicon of squiggles and lines.)

The juxtaposition opens a window on to Van Gogh's creative conflict between observation and abstraction, immediacy and distance. The later version feels cooler and more stylised than the original. Frenzied strokes have been flattened, shadows softened, violence stilled. Clouds, fields and tree cohere into a larger decorative pattern.

Torn between emotional impulse and monastic labour, Van Gogh lived out Flaubert's maxim about talent requiring patience and time. Nobody can hold a feeling long enough to encode it in a symphony or transcribe it in paint, and great art would be poorer if it did nothing more than express a single passing pang. So although Van Gogh infused landscapes with his own internal drama, mapping his psyche into the choice of strokes and colours, he was also determined to fashion a solid presence out of the chaotic slosh of his humours.

While he spent months scrutinising foliage, Paul Gauguin and a knot of Post-Impressionists tried to convince him to look inside rather than out. They advocated an art that "sacrifices anecdote to arabesque, analysis to synthesis, fugitive to permanent, and confers on nature, which finally grew tired of its precarious reality, an authentic reality", as art critic Félix Fénéon declared in 1890. By their logic, nature could only manifest in painting as an exhalation of the human spirit.

Van Gogh hardly needed to be sold on that idea. The heavens are giddy in "Starry Night", alive with incandescence. In that painting, he found a balance between observation and transcendence, fixing the emanations of his psyche in the observable world.

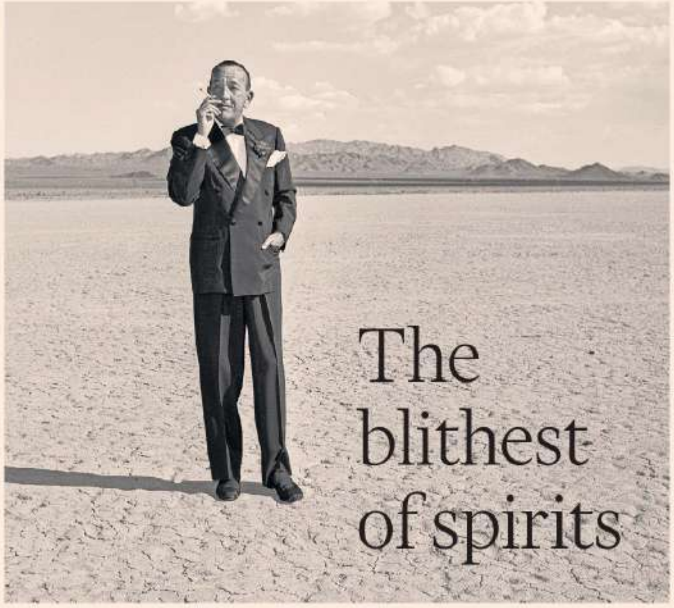
But he was no born Symbolist. He drew succour from the physical objects that tethered him to reality. The immense effort involved in committing the tangible world to an arrangement of pigments functioned for him as a form of therapy. Intimate, intricate study of nature was his anchor, and the farther he drifted from it, the more his mind dissolved into madness.

Gazing at cypresses day in, day out, examining the depths of their greens, their movement in the wind – all that constituted a crucial discipline. "Attacking the cypresses" involved an act of will that saved him. Until it no longer could.

To August 27, metmuseum.org

Arts | Collecting

Noël Coward | Fifty years after his death, a new documentary makes the case for the Master's enduring importance. By *Louise Levene*



The blithest of spirits

We shouldn't need an excuse to celebrate the genius of Noël Coward but the 50th anniversary of his death has triggered a string of stage revivals, a major new biography and the documentary *Mad About the Boy*. Directed by Barnaby Thompson, it draws on an extensive archive of diaries, letters, images and films to illustrate Coward's multi-faceted talent and his rise from genteel suburban poverty to global stardom — "to tell the story in Noël's own words". Coward's extraordinary career — writer, actor, singer, songwriter, spy — is narrated by Alan Cumming and peppered with Coward quotes read by Rupert Everett who wisely (*veddy* wisely) avoids imitation.

Much of Coward's output survives only in fading monochrome stills but *Mad About the Boy* deploys the usual box of tricks to jazz up the slideshow. The trademark carnation buttonhole blushes crimson, smoke rises magically from the omnipresent Player's cigarette and parallax animation allows subjects to float free of their backgrounds.

'An elderly drunk, queer masochist,' Coward wrote to a friend. 'Hurray! That's me all over!'

The film is richly fruited with home movies of Coward's extensive travels to China and Japan. The cine camera, however, seldom strayed backstage. There is frustratingly little record of his theatrical heyday, although the 78rpm record of the *Private Lives* balcony scene captures the fragrance of the early Coward style. A long stay in New York in 1921 had made him master of the rapid-fire crosstalk of the American stage. Yet there is a delicious call-and-response musicality to his dialogue and the exchanges are surprisingly naturalistic — and they weren't always delivered in a Sulka dressing gown.

It is fashionable to sneer at Coward's renderings of lower middle-class speech in kitchen-sink dramas such as *Fumed Oak* or *This Happy Breed* ("She didn't pass on, pass over or pass out: she *died*") but anyone who ever had an Aunt Sylvia will acknowledge its authenticity. Like Harold Pinter (a huge fan), Coward used repetitive, banal-seeming utterances to mask undercurrents of love — or menace.

In 1919, Coward wrote about 30 plays and when one of them, *I'll Leave It to You*, went into production, his piano-salesman father had to sign the contract as he wasn't yet 21. By 1925 he had four plays and revues running in the West End, and when he starred in *Private Lives*, he was already a hit on both sides of the Atlantic, earning £50,000 a year (£4mn today): the highest-paid writer in the world.

Clockwise from main: Noël Coward in the Nevada desert, 1955; at the coronation of King George VI in 1937; photographed by Lenare in 1925; with Alfred Lunt and Lynn Fontaine in 'Design for Living', 1933; hamming it up with Gertrude Lawrence in 'Private Lives', 1931 — Bettmann Archive; Alamy; Getty

Hollywood might have seemed an obvious next step but Coward only made one film in the 1930s: *The Scoundrel* (1935), an underrated masterpiece. Ben Hecht and Charles MacArthur's Oscar-winning script tells of an acid-tongued lady-killer who returns from his watery grave in search of someone who will mourn his passing. Coward was dream casting for this urbane, waspish anti-hero, yet he did not enjoy the business of filmmaking: "It's so terribly, terribly monotonous, acting all day in front of a tired electrician and a lamp." He wasn't tempted back in front of the camera until *In Which We Serve*, the wartime flag-waver depicting the sinking of a British destroyer. Coward, who starred in, wrote, directed and scored the film, received an honorary Oscar and a royal visit during filming in 1942.

Although Coward, the boy from the south London suburb of Teddington who left school at the age of nine, was a student of the mores and manners of the British aristocracy, he had the grace and good sense never to deny his origins — and to retain a sense of humour. Yes, he attended George VI's coronation and could sing music-hall duets with the Queen Mother at Sandringham, but he was no snob. Mischief bubbled away below the surface: "It isn't that I have a basic urge to say 'fuck' every five minutes, but I'm conscious of a faint resentment that I couldn't if I wanted to . . ."

His evident ease in the highest society prompted the diplomat Robert Vansittart to recruit him to British intelligence, gauging support for the British war effort while trilling his hits to Roosevelt on the White House Steinway. "My celebrity value was wonderful cover," conceded Coward. His wartime exploits put him on the Gestapo's list of 2,820 undesirable Britons, an honour he shared with Rebecca West who telegrammed: "My dear — the people we should have been seen dead with."

In 1943, his war work entered a more straightforward phase when he embarked on tours of the Middle East, Africa and Burma, performing his hits for British troops: "I know I can do good by hopping about and entertaining people." He wrote more than 300 songs, some tragic, some comic, some frankly forgettable, and his wicked wartime lyrics were a long way from the White Cliffs. Churchill adored "Don't Let's Be Beastly to the Germans" but the public, with a tin ear for irony, thought Coward was advocating appeasement. The scheduled record release was shelved and it was duly banned by the BBC.

The glory days of revue were over by the 1950s but television — panel shows, interviews, play revivals — offered a lucrative sideline and a one-month Las Vegas season earned him $40,000 a week and a whole new public. Happily, a lot of this material survives, including the 1956 TV version of *Blithe Spirit* made with Claudette Colbert and Lauren Bacall and some stunning (if grainy) footage of the cabaret years, in which old favourites such as "Mad Dogs and Englishmen" and "Nina from Argentina" were taken at a dazzling Benzedrine lick.

The Las Vegas season was promoted using a snap of the dinner-jacketed Master, sipping tea in the Nevada desert (he was driven back in his underwear, sandbagged by ice packs).

Coward turned down any number of film roles, including *The Bridge on the River Kwai*, Humbert Humbert in *Lolita* ("pornographic" and "disgusting"), and the part of the supervillain in the very first Bond movie ("No, no, no, a thousand times no!"). Happily, the need for hard cash in his fifties and sixties led to scene-stealing cameos in *Our Man in Havana* (1959), *Bunny Lake is Missing* (1965) and *The Italian Job* (1969), all proof of his delight in self-parody and an unexpected lack of personal vanity. What could be seedier than his landlord in *Bunny Lake*? "An elderly drunk, queer masochist," wrote Coward in a letter to a friend. "Hurray! That's me all over!" Yet in public Coward was almost pathologically discreet about his sexuality and early biographers were forbidden to mention it — "There are still a few old ladies in Worthing who don't know."

Ultimately, the acid test for any life of Coward is whether it sends you back to his work. Oliver Soden's eccentric but elegant biography and Thompson's admiring, affectionate documentary pass that test very comfortably, inviting us to revisit his talent, wit and irresistible charm. Who else, days after reading a filthy review, could beard the critic Kenneth Tynan, sitting alone at Sardi's restaurant, with a four-letter word, followed by: "Come and have dinner with me"?

'Mad About the Boy: The Noël Coward Story' is in UK cinemas from June 1

Boom hits the buffers

The Art Market | $20mn Rothschild collection comes to auction; adviser Lisa Schiff faces lawsuits; rare books bring out the buyers. By *Melanie Gerlis*

New York's jam-packed auction and art-fair season has left people in no doubt that the art market is experiencing a correction on the back of higher interest rates, a beleaguered banking sector and economic uncertainty. Good sales were made at Frieze New York, which ran May 17-21, but these were mostly at price tags below $1mn and the coinciding, tough-going evening auctions contributed to a more sober mood.

On May 17, Phillips's contemporary and Modern sale came in below expectations at $56.4mn ($69.5mn with fees) while Christie's offering of 65 works from the late Boston collector Gerald Fineberg was also undercooked, making $124.7mn ($153.1mn with fees) against a low estimate of $165mn. Sotheby's May 18 contemporary art sales just met expectations, with a total $175.8mn ($204.6mn with fees, est $169.1mn-$229.4mn). Not included in the Sotheby's numbers are seven works, with a combined estimate of $28mn-$42mn, that were withdrawn before the sale.

Christie's chief executive, Guillaume Cerutti, described it as "not the usual season but helpful in resetting the market", confirmation that his auction house had been trying to bring down sellers' expectations to more realistic reserves. The seven evening sale totals combined were down 40 per cent on the equivalent season last year, but still made a total $1.5bn (including fees). "It is a correction, but not a collapse," says Cerutti.

An oval dish by the workshop of Orazio Fontana (c1565-65) — Christie's Images

Christie's will offer 600 objects valued around $20mn from the Rothschild family, amassed mostly in the 19th century across two generations in France. Most of the works come from the Château de Ferrières, east of Paris, designed by Joseph Paxton for Baron James Mayer de Rothschild — the son of the dynasty's founder — and his wife (and niece) Betty in 1862. Their son, Baron Alphonse, with his wife (and cousin) Leonora, continued the collecting tradition.

The offered objects include several pieces of Renaissance Italian majolica and jewels as well as enamels from Limoges and 18th-century furniture and porcelain, says Jonathan Rendell, deputy chair of Christie's Americas. Among the individual highlights is a set of nine painted leather panels, "The Triumph of David", made by a follower of Rembrandt in the second half of the 17th century, bought by James from the Schloss Weissenstein in 1855 and now estimated at $1.5mn.

A silver-gilt Nautilus cup, made from a seashell and marked by the Delft goldsmith Cornelis Jansz van der Burch, also features (1607, est $125,000).

"It isn't often you get a collection with such an amazing provenance, and from a long line of amazing provenance because the Rothschilds bought for the same reason," Rendell says.

The sale comes when high-end decorative art has proved a magnet for buyers: last year's successes included the collection of Hubert de Givenchy and the contents of the Hôtel Lambert, once also a Rothschild home. Unlike these sales, though, the latest Rothschild collection won't be offered in Paris but in New York, between October 11 and 13, the first time that the family has sold through an auction in the US. Highlights go on show at Christie's in Hong Kong this week (until May 28) then in London July 1-7.

Much of the talk in New York was about the high-profile art adviser Lisa Schiff, whose clients have included the Hollywood star Leonardo DiCaprio and who is now at the receiving end of two lawsuits at New York's Supreme Court alleging — among other claims — breach of contract, fraud and conspiracy.

The first suit was filed on May 11 by collectors Candace Barasch and Richard Grossman against Schiff and her businesses, stating they "have effectively been running a Ponzi scheme, taking funds, accounts and artworks entrusted to them by clients, and using them and their sale proceeds . . . to fund Schiff's own lavish lifestyle." They are claiming damages of at least $2mn following the sale at Sotheby's for $2.5mn in January of an Adrian Ghenie painting Barasch and Grossman co-owned; they allege that Schiff still owes them $1.8mn of the proceeds and that she had told Grossman's spouse that she did not have the money.

This was followed by a May 17 suit from Barasch, her husband and a trust fund set up for their children, stating that since the Ghenie case was filed, Barasch has received "numerous text messages, phone calls and emails from galleries regarding works that Schiff purported to purchase for Plaintiffs but which were never paid for". Instead, the suit says, funds were used "to cover art purchases by other clients". The case details 14 affected works, purportedly bought over the past three years, including a sculpture by Sarah Lucas for $390,000. This suit seeks at least $2.5mn, plus interest and damages.

"Candace Barasch is a philanthropic museum patron, champion of aspiring artists and supporter of gallery programming . . . It is appalling that her trusted art adviser so egregiously swindled her," says the plaintiffs' lawyer, Wendy Lindstrom of Mazzola Lindstrom. Schiff's lawyer, John Cahill of Wilk Auslander, declined to comment.

'The Triumph of David' by a follower of Rembrandt from the second half of the 17th century — Christie's Images

It has been a good month for rare books. On May 17, Sotheby's sold the oldest near-complete Hebrew bible in the world — dated to around AD900 and known as the Codex Sassoon after its former owner, David Solomon Sassoon — for $33.5mn ($38.1mn with fees). The price is a record for a book, though a printed copy of the US Constitution sold for $43.2mn with fees to Citadel founder Ken Griffin in 2021. The buyer (by telephone) of the 792-page sheepskin Codex Sassoon was Alfred Moses, a Washington DC lawyer, who has donated it to the ANU Museum of the Jewish People in Tel Aviv.

Meanwhile, Pom Harrington, owner of the dealership Peter Harrington, confirms the private sale of a First Folio with 36 of Shakespeare's plays, printed 400 years ago and priced at £6.25mn. And at Chicago's Hindman auction house on May 11, first editions of Jane Austen's five major novels made more than $500,000 combined, topped by the three-volume *Pride & Prejudice* (1813), which sold for $107,000 with fees (est $25,000-$35,000).

Harrington says: "The pandemic proved helpful to the rare books market. It allowed people the time to look at their collections or to start collecting. Prices have moved on, there's no doubt."

Critics' choice

Life&Arts

Television Dan Einav

Maryland
Streaming on ITVX
★★★☆☆

No man is an island – but on the Isle of Man, a woman, Mary, manages to build a secret second life from which she excludes her family. It's only when she dies, suddenly and inexplicably, on a beach on the Irish Sea that her adult daughters discover she has spent her final years putting down roots far away from them.

Maryland, a new three-part ITV drama, considers how little we know about those closest to us and how much we wrongly assume. It follows two middle-aged sisters – frosty careerist Rosaline (Eve Best) and sensitive, conscientious Becca (Suranne Jones, billed as co-creator) – as they come to terms with their loss and the blindsiding realisation that they never possessed a real sense of who their mother was. As they gradually piece together how and why the latter lived and died, the siblings also begin to exchange painful truths of their own fractured relationship. Over a few days of frank interaction, they learn more about one another than they have in years of unarticulated envy, insecurity and judgment.

Where the characters are confronted with shocks and revelations, the show itself is marked by a rather predictable emotional trajectory – from recrimination to regret to reconciliation. But it is elevated by these ever-reliable leads. While actors are usually praised for their chemistry, here they should be recognised for cultivating a convincingly uneasy, oscillating dynamic.

Rosaline and Becca crave intimacy but create distance, shifting in an instant from playful, nostalgic reminiscence to trauma-fuelled fighting.

But witnessing them both unspool in grief and confusion ultimately proves more compelling than seeing them come back together. In the closure-heavy third chapter, charged emotion begins to be replaced by misty-eyed sentimentality – and briefly introduces a thorny ethical debate that the show doesn't feel best equipped to tackle.

Secrets and lies: Suranne Jones (left) and Eve Best – ©ITV

Scandal turned screwball: new HBO mini-series 'White House Plumbers' dramatises the Watergate raid in 1972

White House Plumbers
Sky Atlantic, May 30, 9pm, and on NOW
★★★☆☆

Perhaps this is what E Howard Hunt and G Gordon Liddy really wanted. Recognition. Legacy. In *White House Plumbers*, the two men who oversaw the raid on the Democratic National Committee at the Watergate building in 1972 are lifted out of the margins of history and thrust into the centre of a new retelling of a seminal moment in 20th-century politics. Unfortunately for them, they are not immortalised as proud patriots but as bumbling fools who helped bring down the presidency they were trying to preserve.

The five-part HBO original mini-series serves as a monument to the idiocy, incompetence and immorality of Hunt, Liddy and the Nixon administration which hired them. It's built on solid foundations – an enduringly fascinating scandal, a fine cast and, in former *Veep* showrunner David Mandel, a director well-versed in DC disgrace and corruption.

Yet the more one looks, the more unsound, inconsistent and oversized it appears to be.

Things start out as a rollicking, almost screwball-esque farce. At its heart is the *folie à deux* that emerges between Hunt and Liddy, two former intelligence agents who believe it's them "against the entire radical left". In their capacity as "White House Plumbers" – so called because they fix leaks and handle the president's, um, mess – they excitedly conduct off-the-record acts of espionage and sabotage, often donning ludicrous disguises. Despite the fact that they bungle an early mission, their hare-brained plan to break into the DNC (remarkably, perhaps the least outlandish of Liddy's proposed schemes) is approved.

The show finds fertile ground for comedy in the gulf between how the men see themselves and their inherent absurdity. Liddy (played with requisite hamminess by Justin Theroux) is not an indomitable political disrupter but an unnerving eccentric with big moustache, short fuse and feverish mind. If he's a cartoonish, Hitler-obsessed arch-villain, then Woody Harrelson's, gruff, jaw-jutting Hunt is more of an arch-conservative. He's so swept up by "red peril" paranoia that he believes spying on the Democrats is the best way to protect democracy.

Over five episodes, these two walking punchlines grow increasingly tiresome. Eventually you wish you were following the money with Woodward and Bernstein rather than scrambling around with Hunt and Liddy. By the time they're busted (at around the halfway point), the show has already begun to drag and suffer from tonal fluctuations and misfocus. It seems superfluous, for instance, to call out Hunt for being a negligent father given his more obvious failings.

For all the shenanigans and stranger-than-fiction oddities, *White House Plumbers* also strives to present itself as a sobering cautionary tale about where blind, unreciprocated devotion and disregard for law and integrity have led the country, both then and now.

When Liddy – trying to spin humiliation into a warped victory – says, "If all I've done is to undermine the average American's faith in government, that will pay dividends for the Republican party far into the future," we know he's talking about a very recent past.

Fubar
On Netflix now
★★★☆☆

Arnold Schwarzenegger has a new action vehicle, and a new catchphrase to boot. "That's it and that's all," he says repeatedly, sounding a valedictory Porky Pig. Its frequent recurrence in the Netflix series *Fubar* might be read as an acknowledgment of the show's limited scope. This is an unserious save-the-world romp with close-shave thrills, nonsensical plots and breezy comic relief. But that's it and that's all.

The eight-part show marks the first foray into television work for the 75-year-old Schwarzenegger (an autobiographical Netflix docu-series follows next month and the network has just appointed him its "chief action officer").

The veteran star seems genuinely enthused about bringing his outsized muscles to the world's small screens. He plays Luke Brunner, a CIA agent on the cusp of retirement who is given one last job – stopping a nuclear device entering the wrong hands.

To make matters more delicate, his darling daughter Emma (Monica Barbaro) happens to be an undercover operative assigned to the same mission. Neither suspected the other was a spy. While both feel

Arnold Schwarzenegger plays a CIA agent in 'Fubar'

betrayed, there truly can be no better time or way for a father and daughter to thrash out their issues and build trust than, say, while aboard an unstoppable train or during a honey-trap operation.

Things tend not to go to plan, of course, and there are a good few near-misses and cliffhangers in the opening episodes (which could have been half the length). In less adrenalised moments, the show plays out like a cross between a traditional family comedy – with Luke determined to win back his ex, as well as Emma's love – and a workplace sitcom that features bantery side characters. The jokes may not hit the mark as often as the gun-wielding Luke, but there's a sustained, knowing levity that helps make *Fubar* more appealing than Amazon's leaden recent spy show, *Citadel*.

Radio

With the World Health Organization having recently declared the end of Covid-19 as a "global health emergency", casting oneself back to the start may seem unappealing. But its origin has significant implications for future geopolitics and disease prevention. In **Fever: The Hunt for Covid's Origin** (Tuesday, Radio 4, 11am), John Sudworth, BBC's China correspondent at the time, probes various theories and tries to cut through the authorities' silence, the censorship and the misinformation. There are eye-opening surveys of the

Witchy: Bette Midler in 'Hocus Pocus' – Maximum Film/ Alamy Stock Photo

broader scientific, political and ecological factors at play, as well as a focus on the "tiny organisms that cause such large-scale suffering". ★★★★☆

Witches don't ride on broomsticks, but they do take the bus. They don't boil children, but do teach them in schools. They are not, in short, the stuff of nightmares, but very real members of society. In **Witch** (Tuesday, Radio 4, 11pm), an offbeat 15-part series, journalist India Rakusen meets members of the modern witchcraft community and dispels centuries of damaging, often misogynistic, stereotypes. While it's easy to be cynical, the show quickly and persuasively outlines how witchery is tied to ideas of feminism and otherness, and how it is rooted not in darkness but self-illumination, giving those who practise it a sense of control and a belief that anything is "tantalisingly possible". Theirs is a desire to see the world with more wonder – something we can all get on board with. **DE**
★★★★☆

Pop Ludovic Hunter-Tilney

Arlo Parks
My Soft Machine
Transgressive
★★☆☆☆

"When I think about how I made the record, it's very personal and private," Arlo Parks told the Financial Times last year about her debut album, *Collapsed in Sunbeams*. Sourced from the west Londoner's teenage diaries, its songs were a fine-grained blend of closely observed feelings and easy-going tunes. "I lick the grief right off your lips," runs the attention-grabbing opening line to a track about depression, set to a hazy Hammersmith daydream of bossa nova.

Released in 2021 when she was 20, the album was a critical and commercial hit. Admirers included Billie Eilish, who recruited the singer-songwriter as a support act. To Parks' discomfort, commentators hailed her as the voice of Gen Z. Her "very personal and private" album had turned her into a public figure.

Its follow-up presents her with a quandary. *Collapsed in Sunbeams* managed to sound at ease with itself while telling stories of young people who don't feel at ease with themselves. This delicate chemistry was the product of a time and place that success has taken her away from. At one level, it's an enviable situation. But it also requires her, as a still-green songwriter, to find a new register, this time with the eyes of the world on her.

Second time out: Arlo Parks – Alex Waespi

My Soft Machine stumbles at the hurdle. The album's title is taken from a film, *The Souvenir*, as its predecessor was named after a phrase from a Zadie Smith novel. Like its predecessor it opens with a recited poem, this time an overburdened affair about adult pain and childhood innocence. The songs' mellow beats are sharper and more polished, a dial shift towards mainstream pop. Indie textures are applied with a degree of self-consciousness, like the refined echo of a Pixies riff, in "Dog Rose".

Lyrics tell of relationships in young adulthood. There are fewer characters than in *Collapsed in Sunbeams*, and also more repetition. Sing-song refrains with discouraging sentiments about not trusting others or knowing what to do try to turn negative thoughts into melodious music, but lack the vibrancy of before. Parks' unforced voice sounds smoother and more generic.

"Tethered to the person you could be," she sings in "Weightless" of a difficult lover she doesn't want to give up on. The same might be said of this album, tethered as it is to a better predecessor, and also an unhelpful weight of expectation.

Shirley Collins
Archangel Hill
Domino
★★★☆☆

The story of a singer who loses her voice when she sees her husband's lover in the audience sounds like a folk song. It would no doubt conclude badly for one of the participants: a life of bereft muteness for the singer or grim death for the rival. Perhaps both. Folk music loves an unhappy ending.

Shirley Collins suffered this scenario in real life. The English folk grandee's marriage to Fairport Convention's Ashley Hutchings collapsed in the late 1970s after he left her for an actress who took to haunting Collins' gigs. According to Collins, the sight of this other woman looking back at her triggered a condition called dysphonia. Her famous voice – high and fluting, with grace notes of her Sussex upbringing – seized up.

Having been a leading member of the 1950s and 1960s folk revival and then British folk-rock's emergence, Collins' inability to sing was a cruel blow. She took office jobs and sold her musical equipment. But, unlike many folk songs, this tale ends happily: Collins has found her voice again.

Archangel Hill is her third album since her comeback on 2016's *Lodestar*. She's now 87. The inclusion of a live track from 1980 – "Hand and Heart", a harpsichord number about a fleeting rustic love affair – is a pointed reminder of how she sounded before she was silenced. The incisive soprano of her younger self has been replaced by a lower-toned, slower-paced vocalist who steps carefully but sure-footedly through a landscape of old songs.

Collins opens with a parting and a death in "Fare Thee Well My Dearest Dear", which tells of a young woman running away to sea with predictably dismal results. "Lost in a Wood" relates the awful story of two babies perishing. But Collins' clear diction and calm delivery convey no sense of encroaching mortality. Arrangements are warm and unfussy. The results might lack the spark of her best work, but they carry a sense of wisdom – the unfinished coda to a long life in folk music.

Late flowering: Shirley Collins – Grant Gee

Critics' choice

Films on release Danny Leigh

Master Gardener
Paul Schrader
111 mins (15) ★★★☆☆

Paul Schrader might be the last man on Earth you would choose to get stuck in a lift with. Frankly, the lift might protest too. The filmmaker's association with bilious misanthropy stretches back as far as 1976, and the script that began his career, *Taxi Driver*. Schrader often compared himself to its frantic anti-hero, Travis Bickle. His later work did not improve his mood. By 2016, despite directing cerebral, well-regarded dramas such as *Light Sleeper* and *Affliction*, mainstream Hollywood had clearly made its last Paul Schrader film. "Fuckers," he replied in one typical interview.

Naturally, we now have *Master Gardener*, the latest instalment of an unlikely comeback. Schrader and his troubled men unto themselves have returned to vogue. As per the title, the new film concerns a horticulturalist, Narvel Roth, played by Joel Edgerton. That much feels oddly playful. *Wait*. Paul Schrader has made a movie about the simple joys of successful hydrangeas? (Actually, in a sense, yes.)

As Narvel tends the grounds of a grand house somewhere in the American South, we try to guess what could be wrong with this picture. Intrigue takes root between Narvel and his employer: icy blue-blood Norma Haverhill, brilliantly played by Sigourney Weaver with a hint of *Sunset Boulevard*. The murk gets denser still with the arrival of her grandniece, Maya (Quintessa Swindell).

Two female leads, then, though it falls to a male supporting character to wear a T-shirt reading "We Should All Be Feminists".

What is Schrader up to, he'd obviously like us to ask, given he has lately embraced a media role as cartoonish fist-waver at "wokery"? But his actual films have always been more elusive and intelligent than this shtick implies. That, too, was true dating back to *Taxi Driver*, to which *Master Gardener* sometimes bears a family resemblance — if gentler, sadder and more strangely hopeful.

Joel Edgerton and Sigourney Weaver in 'Master Gardener' Magnolia Pictures

A spoiler warning: see you in the next paragraph if you wish. A puzzle piece slots into place when Roth reveals a torso covered with white supremacist tattoos: the kind that speak to an organised past, and a new legal identity. If you wondered "what sort of name is Narvel Roth?" the answer is not just the sort Schrader makes up. It's what he imagines the FBI makes up.

Despite his first calling being the typewriter, Schrader's scripts can be his weak spot. His stories always unfold in a heightened movie reality, but here actual reality can really feel a distance away. And the screenplay loves the spotlight, stacked with self-regarding lines that beg the suffix *said no one, ever*. "There are things you know in your flesh," Edgerton broods. "Your *nostrils*."

But Schrader is more than the sum of his overwriting. Edgerton, Weaver and Swindell make the emotion behind the dialogue plausible. That takes good actors. It also needs a film-maker who, for all his bluster, knows how to draw out excellence on camera. Another Schrader directs his movies: a sure hand working in crisp, clean lines, dealing provocatively but chewily with high-risk themes such as the American past, the American present. And redemption too, of course, the stuff of countless hokey Hollywood narratives. Schrader has spent a career mapping it more honestly; he does the same again here. You start, he says, by telling the truth.
In UK cinemas now

A Crack in the Mountain
Alastair Evans
100 mins ★★★★☆

Much of what you see in *A Crack in the Mountain* is insanely beautiful. Therein lies the problem. The subject of this compelling documentary is Hang Son Doong in central Vietnam: not just the world's largest cave passage but beyond spectacular, even witnessed second-hand. Director Alastair Evans duly captures cave ceilings whose vaulted grandeur recalls cathedrals but have the height of skyscrapers; leviathan waterfalls and rainforests; celestial light and sudden pools of ink-spot darkness. One explorer says the cave is like living cinema; another like nothing on Earth.

But Evans also tells a story: one of the faultline between conservation and economics. Hang Son Doong was only discovered by a Vietnamese farmer in 1990. For most of the three decades since, it has remained a relative secret, and pristine as a result. The looming question: how much longer?

Though the vista remains the heart of the film, the lens also widens. A principal is Huong Nguyen Thien Le, a childhood reader of Jules Verne who later fell in love with her own country's journey to the centre of the Earth. Now, she campaigns to limit the number of tourists tramping through it.

The case for that is obvious. You, too, will blanch when a mooted cable car threatens to raise the human presence from a few hundred people daily to a thousand an hour.

Otherworldly: Hang Son Doong, the world's largest cave passage

Yet the film has integrity enough to deal head-on with competing realities. When Hang Son Doong was stumbled on, we learn, not a single man-made structure stood for miles around. The area had been bombed into a crater in the war with America, and simply never rebuilt. Now the shadow of mass tourism offers local people a possible escape from poverty.

Jobs as porters are already cherished; more would come with hotels and restaurants. Whose place is this paradise anyway? And whose place to decide the future? Evans lets us sit with those troubling, unresolved questions, at the same time as we marvel at the natural magic under Vietnam.
In UK cinemas now

The Little Mermaid
Rob Marshall
135 mins (PG) ★★★☆☆

For the underwater characters in Disney re-do *The Little Mermaid*, dry land is discussed with fear. The sense of peril may not be misplaced.

Not only is bashing Disney still central to the political ambitions of Florida governor Ron DeSantis. Implausibly, this wilfully bland musical has already been snared in the culture war since the 2019 casting of Halle Bailey as half-fish heroine Ariel.

In brief, Bailey is black, and the announcement of her role as star led to much grim online vitriol around the historically accurate ethnicity of *a mermaid*. (Strikingly, few commenters also demanded the new film be made in Danish, in line with Hans Christian Andersen's original story.)

Bailey is a charming and charismatic presence. She nails the broad strokes, the high notes and even adds nuance. Casting her is the smartest call in a movie director Rob Marshall otherwise brings home with grinding efficiency, the latest in a string of timid live-action remakes of animated Disney IP.

The CG animation keeping the actors company is flawless but boring, for all the fleeting devilry of Melissa McCarthy as a tentacled villainess and the sight of Javier Bardem as King Triton, arriving in a vortex of sprats.

Bardem keeps his Spanish accent; Sebastian the talking crab is rendered by actor Daveed Diggs as ambiguously Jamaican. The marine geography is now made explicit, the story said to be taking place between the Caribbean islands and the coast of Colombia. A batch of new tunes come from Lin-Manuel Miranda. It isn't work he will be remembered for, though it would take effort to dislike "The Scuttlebutt", an infectious piece of salsa-hop sung by Awkwafina in the guise of a needy seagull.

But the core of the 1989 animation remains in place,

Halle Bailey's Ariel in 'The Little Mermaid' — Disney

the story still centred on star-cross'd passion between Ariel and Jonah Hauer-King's earnestly human Prince Eric. The name recalls Monty Python, but that doesn't stop Eric loudly announcing his inclusive bona fides. "I'm trying to reach out to other cultures so we don't get left behind!" he frowns, one of many variations on the theme. If DeSantis knew what a joke was he'd be tickled, the whole character almost reading as a Trojan horse send-up of Disney chief executive Bob Iger.

Little is helped by Hauer-King, whose line readings suggest having just had a medicine ball bounced off his head. Frankly, this Ariel could do better.
In UK cinemas now

Hypnotic
Robert Rodriguez
93 mins (15) ★★☆☆☆

"Don't worry, I'm not Bunco," Ben Affleck declares early in the tiring new thriller *Hypnotic*. The phrase is vintage US slang for the fraud squad. His character, unsmiling cop Danny Rourke, uses the phrase while visiting what the movie has just called a "dime-store psychic". The language suggests time travel back to the golden age of noir, or at least a movie fun enough to kill 93 minutes. Curb your enthusiasm. Affleck is, as so often, the wrong actor for fun.

From the outset of this would-be mind-bender, Detective Rourke is haunted by the abduction of his young daughter. The scene is captured in flashback, the scale of personal tragedy by the star's default dull-eyed peevishness. But the story shifts gear when he stumbles into the world of "hypnotics" — in essence, steroidal hypnotists who can puppet-master strangers with a single meaningful glare. Come *on!* Picture the mad Hitchcock high jinks a movie could get up to with that premise.

Keep picturing them, too, because despite aiming for a tone of the knowingly outlandish, Robert Rodriguez's movie is leaden to the last. The mood is gun-happy and conspiracy-minded but the real killer is what feels like 80 per cent of the running time being spent with Affleck and co-stars standing in rooms explaining the plot.

"He erased his own mind!" He did. "Hypnotics did this!" Indeed. "Are we even really here?" Somebody call Bunco.
In UK cinemas now

Classical Richard Fairman

Finnish Radio Symphony Orchestra/Nicholas Collon
Grażyna Bacewicz
Ondine
★★★★☆

Half a century after her death, the music of Grażyna Bacewicz (1909-69) can no longer be said to be neglected. Recordings have explored much of her output over the past decade, but this latest disc must rank as one of the most compelling.

Bacewicz's music is high-energy. The composer described herself as being in possession of a "concealed engine" and, beyond composing a decent corpus of music, found time to write four novels, short stories and a play for television.

In style, she belongs firmly in eastern Europe in the mid-20th century. Anybody who likes Prokofiev, Shostakovich or Bartók will have an idea of what to expect — aggressive attack and driving rhythms, interspersed with softer passages that breathe an uneasy, lyrical calm.

The main work here is the Piano Concerto (1949), which gives a few others from the 20th century a run for their money. There is much technical brilliance, together with wit, a bittersweet lyricism and always the sense that some unidentified threat could be lurking on the next page. Pianist Peter Jablonski and Nicholas Collon, conducting the Finnish Radio Symphony Orchestra, light its fuse from the opening bars.

Other works on the disc include the Concerto for Two Pianos and Orchestra (1966) — edgier, its musical landscape bleaker — and the *Music for Strings, Trumpets and Percussion* (1958), a tribute to Bartók, which goes further down the modern track to the point of sounding quite frenetic when its blood is up. All receive urgent performances.

Urgent: pianist Peter Jablonski — Heikki Tuuli

Jazz Mike Hobart

London quintet Joy showcase strong musical personalities — Jak Kilby

Joy
Joy
Cadillac Records
★★★★☆

The reactivated Cadillac label continues its series of releases from its British jazz archive with this fascinating and, indeed, joyous recording from March 1976. The horns-and-rhythm quintet Joy delved deep into the spiritual jazz, funky rhythms and Latin grooves that were being worked on contemporaneously in New York. Strong musical personalities, brash commitment and London's melting pot of free jazz, international connections and UK blues and soul added a distinctly British slant.

This self-titled album starts with the declamatory brass of "Martini Sweet", supported by a bustle of back beats and testy double bass, and continues with the spiritual "Koko-v-Dank" unfolding over a two-chord vamp. "Do You Know the Way" is soulful, "Spirals" ups the tempo and "PM" is intense. Chris Francis on alto sax, Jim Dvorak — an American who relocated to the UK to escape the Vietnam draft — on trumpet and pianist Frank Roberts all follow the form and play to the edge.

Each composition delivers harmonic shifts and changes of mood, drawing the listener in. Roberts' rampage of dancing motifs on "Hidden Spirits", Dvorak sailing over the fast walking bass of "Jak's Travels" and Francis capturing resilience and loss on "Tribute" all stand out.

But it is the strength of the rhythm section's playing that balances the quintet and marks the band's sound. Drummer Keith Bailey's rhythmic discipline and fiery edge push soloists to greater heights, and South African bassist Ernest Mothle is an underpinning rock with a full-bodied sound.

Two tracks that were edited for the original vinyl release are presented in full here. The addition of the previously unreleased "You" and three alternative takes complete the session with no loss of form. Joy were beating a new path at the time of the recording and their album sounds fresh today.

Theatre Sarah Hemming

Brokeback Mountain
Soho Place Theatre, London
★★★★☆

Before *Brokeback Mountain* was a seminal Ang Lee film, with Heath Ledger and Jake Gyllenhaal on heartbreaking form as two ranch-hands who fall in love, it was a short story by Annie Proulx. It's that story that Ashley Robinson's new play adapts to an intimate stage work.

What we lose, of course, is the film's staggering Wyoming scenery, and footage of the oppressive social conservatism of small-town America in 1963. In their place comes a chamber piece, closely focused on the two men and the impact of that context: the fleeting sense of freedom they find on the mountainside; the furtive and increasingly desperate nature of their meetings in the 20 years that follow.

Robinson styles it as a memory play, with the older Ennis (Paul Hickey) being dragged out of sleep by a jaunty song on the radio. "Don't let the years get you down," it chirps. As Ennis picks up and cradles an old work shirt, we realise that his accrued years are a torment in more ways than one. He has grown old. Jack, the love of his life, has not.

Ennis's younger self and Jack then replay the story, starting with their first meeting, when they are sent up the mountain to herd sheep for the summer. The contrast between them is beautifully delineated by Mike Faist and Lucas Hedges. Faist's Jack, talkative and impulsive, has a lithe, easy charm and rarely stops moving; Hedges' Ennis, laconic, cautious and introverted, sits silent and withdrawn.

But in Jack's nervous energy and Ennis's wariness, we see common ground: both are buffers against a tough, unpromising life (Tom Pye's set is spartan; furniture is shabby). What they find is not just a sexual but an emotional connection: Jack's confidence and Ennis's tight reserve are covers for feelings they can't express. There's a deft performance too from Emily Fairn as Ennis's wife Alma, another lonely casualty of this tormented situation.

The flashback format is awkward, obliging Hickey to hang around a lot with little to do. But Jonathan Butterell's atmospheric staging is laced with country-inflected music by Dan Gillespie Sells (*Everybody's Talking About Jamie*), delivered by a terrific onstage band with Eddie Reader on vocals, Greg Miller on harmonica and BJ Cole on pedal steel guitar. The score gently expands what we see on stage: an achingly sad love story told with tenderness and care.
To August 12, sohoplace.org

Achingly sad: Mike Faist, left, and Lucas Hedges in 'Brokeback Mountain' Marc Brenner

Life&Arts
FT Weekend

SNAPSHOT

'Dogs Chasing My Car in the Desert, 1996-98' by John Divola

John Divola's people-less series of dogs, with its typically direct, informative name, began as a side-project. Driving to and from the remote locations in southern California that he was photographing, he noticed a local canine community and began to take a second camera.

Much of Divola's work consists of dozens of indistinct iterations of a theme, usually a particular building or type of structure — "an extended engagement with a site over time", as he has put it. The dog series comes out similarly. The second camera was loaded with "a fast and grainy black-and-white film" and equipped with a motor drive to take a quick string of photos. The many dogs riled by his passing car respond in a variety of different ways, but all distillable to the term "chasing".

A dog's heightened senses, the photographer surmises, would be driven to even greater anticipation in otherwise "vacant" desert spaces. All involved are driven by "devotion to a hopeless enterprise": in the dogs' case, an elusive prey; in Divola's, the lure of the art form itself.

Robin Fodor

'Dogs Chasing My Car in the Desert' is exhibiting in New York at Yancey Richardson, from June 1-7

The world wobbles; the luxury industry strides on

Robert Armstrong

Fourth estate

It seemed like an uncontroversial assertion: China's recovery from the pandemic has been an economic disappointment, I said. Neither domestic consumption nor exports had rebounded nearly as strongly as expected. The two distinguished economists I was speaking to, as part of a panel at the FT's Business of Luxury Summit in Monaco this week, agreed. A weak real estate sector; a debt overhang at local government level; cautious consumers. By now, a familiar story for China-watchers.

The summit's audience had other ideas. When the Q&A began, the first questioner told us flatly that we were wrong about China. He was an investor in the Chinese luxury sector, and all his companies — including in real estate — were reporting best-ever results.

His comment echoes the mood of the conference attendees. The luxury industry is humming worldwide. Look at the latest results from the biggest name in the industry, LVMH. In the past year, as worries about an incipient recession have grown, the stock has left not only global indices, but even index-leading tech giants such as Apple in its dust. Revenue growth in the first quarter? Seventeen per cent. In Asia, excluding Japan, the figure was 36 per cent. We're in a luxury boom. Share performance and revenue growth in the ultra high-end luxury brand Hermès have been even better.

In many parts of the world, tight labour markets and generous pandemic stimulus have helped wage growth for lower-income workers keep pace with inflation, and in some industries surpass it. The balance sheets of the middle class have improved as well. Good. But if working stiffs have come out OK, the richest have consolidated their gains. Consider the US, for example. Between the end of 2019 and the end of 2022, the modest share of national wealth held by the bottom 50 per cent grew from 1.9 per cent to 3 per cent. Welcome news — and no skin off the noses of the top 1 per cent, whose share rose from 30.4 to 31.1 per cent, at the expense of everyone else at the top half of the distribution.

You can hardly blame investors for placing their bets on LVMH and other luxury houses. The incomes, wealth and spending power of the richest create the prospect of stable results

> Envy is a dangerous sin. I much prefer avarice, which can be channelled into productive use

through the cycle. (This is not to say that luxury firms are recession-proof. Several years ago I interviewed the CEO of a car manufacturer whose products started in the six figures. He told me his customers could always afford to buy his cars, but in recessions they found it vulgar to do so.)

Envy is one of the most dangerous of the deadly sins. I much prefer avarice, which to my mind barely qualifies as a sin at all. It can be channelled into productive use. This makes me a capitalist and a firm believer in markets. At the same time, though, I follow the philosopher John Rawls, who argued (very roughly) that a just society is arranged to make the lot of the worst off as good as possible, consistent with the liberty of all.

This implies that we should tolerate immense inequality, if it improves life for the least lucky. Many of my fellow capitalists believe we live in precisely this sort of world: it is the striving of the many to join the ranks of the rich that creates general prosperity.

There is truth in this, but within limits that have become clearer as the world has become more unequal. There is a growing consensus among economists that inequality, both within nations and among them, decreases economic growth. The economic mechanics of this are very straightforward, and based on the premise that the rich are less likely than the poor to spend the next dollar they acquire, and more likely to save it. This pumps up the value of financial assets, but in the absence of more broad-based consumption it does little to finance productive investment. In an unequal society, consumption is weak and often has to be financed with debt. Atif Mian, Ludwig Straub and Amir Sufi call this "the savings glut of the rich".

If spending by the well-to-do and resilient asset prices help the post-Covid economic cycle come to the much hoped for "soft landing", that is an outcome we can all be glad about. There is nothing wrong with the luxury business: it fills a need, produces beautiful things, creates meaningful work. But its extraordinary success, on full display in Monaco, reflects an imbalance we all have to reckon with.

Robert Armstrong is the FT's US financial commentator

The futile pursuit of good taste

Jo Ellison

Trending

What is good taste? And who decides it? It's a question I discussed last weekend with the architect and designer Harry Nuriev, museum director Melissa Chiu and Net-a-Porter president Alison Loehnis: three arbiters of style. But the only real agreement we could come to on the subject is that there are no longer any rules.

Until about 20 years ago there remained fairly static ideas about what passed as *de rigueur*. In a world in which opinions were decided by a small cabal of voices, the number of "serious" art collectors numbered in the low hundreds and the major markets were assumed to be in Paris, London and New York, there was an easy consensus about the kind of furniture one should sit on, the brand of bag you carried or the art you hung on your walls.

Trends were cyclical and ever shifting — but the things representing "good taste" remained quite fixed in people's minds. If your chairs were Le Corbusier, you owned a Giacometti, or you swung an Hermès Birkin handbag, you were part of an elite group whose taste was aspired to and admired. Today, however, taste has become more fluid and subjective. Its arbitration is less clear cut. The internet has made everyone a critic, new markets have mushroomed outside the traditional centres and consensus has largely broken down.

Where once good taste was seen as a mark of privilege and education, today's tastemakers are a far more reactive crowd. And the things that emerge as barometers of our cultural standing are less likely the product of explicit connoisseurship than they are the result of a collective, internet-fed, hive mind.

Nuriev was born in Russia: earlier this month he worked with the culinary studio We Are Ona to create a pop-up restaurant that was the talk of art week in New York. When not creating happenings in one of the world's most notoriously unimpressible communities, he makes eiderdowns from old boxer shorts and bespoke wallpaper with a trompe l'oeil effect to look like mould: he's currently crushing plastic Evian bottles to create a bespoke chandelier. His work treads the line between the tasteless and the transcendent and the classic and the crass, but his bold "transformer" vision has made him one of the most in-demand designers of today.

Asked what good taste is, he shrugs and says he has no idea. But he does know his clients want to work with him because they feel that he represents the kind of design statement they want to make.

> The internet has made everyone a critic, and consensus has largely broken down

"Good taste" has become more democratic. Not to mention politicised: most national galleries are in the midst of major rehangs to try to showcase works by women, non-white or outsider artists whose works have been until now overlooked. When Chiu, the Asian-Australian director of the Hirshhorn Museum and Sculpture Garden in Washington, DC, first started working as an Asian contemporary art expert, people dismissed her by saying it didn't exist. For connoisseurs, Asian art meant ancient porcelains and dynastic swag. It was only with the emergence of a new consumer market, and the internet, that those opinions changed. Once, she argues, artists hoping for longevity would have to follow a very specific career path. Today, some of the most feverishly collected artists — those who are sold for millions at auction — have never had a single work shown in a museum.

Is good taste, then something innate and elevated, or is it simply hitting certain trends? Even with the proliferation of influencers, click culture and social media, some things still bubble to the surface as being considered "tasteful" at any given time. In fashion, for example, we are in the grip of a much vaunted "stealth wealth" phase, wherein logos are more muted, fabrics more luxurious and it is currently considered the height of chic to be swathed in layers of beige.

But is this good taste or simply "safe taste" — an attempt to conceal one's riches by trying to look completely meh? Surely the true arbiters of "great" taste should have more verve and expression; that's certainly what I look for when choosing The Aesthetes you see in the FT Weekend's HTSI magazine.

And what about Old Masters? One would assume that some things must surpass all metrics with their expertise and beauty, and yet even the most revered of artists can languish, dusty and unloved. Look at Vermeer, currently the subject of the most popular show on earth at the Rijksmuseum, but whose paintings, now widely considered masterpieces, could barely dent a passing interest for nearly 200 years.

Good taste was an expression of privilege and tradition — controlled and manipulated by a powerful elite. But that hegemony of mostly white, male creative personalities is now being reframed to reflect more diverse intellects. Most importantly, I think, good taste should not be dull: it should be bold, audacious and original. It should dare to flout convention, provoke and yet ultimately beguile.

Email Jo at jo.ellison@ft.com

Are you listening to the FT Weekend podcast?

This week, bestselling author Curtis Sittenfeld joins us to talk about romantic comedies. Sittenfeld is known for being a smart, satirical commentator on modern American life in novels including *Rodham* and *Prep*. She is also a longtime fan of rom-coms: her most recent novel is, in fact, called *Romantic Comedy*. She speaks to host Lilah Raptopoulos about the state of romantic comedies today: why we love them, where they're going, and how the genre has changed. **Listen wherever you get your podcasts, or at ft.com/ftweekendpodcast**

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Money

Steering through the car buying labyrinth

Petrol or electric? New or used? Cash or credit?

PAGES 6 & 7

Daniel Crespo

WEEKEND CATCH-UP

ENERGY

UK bills set to stay high, warns Ofgem

Energy bills are unlikely to fall below pre-crisis levels until at least the middle of the decade, the head of Britain's energy regulator warned on Thursday.

The comments by Jonathan Brearley came as he announced that the energy price cap, which usually governs how much a typical household pays, was set to drop from £3,280 to £2,074 from July.

The sharp fall reflects a drop in wholesale market prices in recent months helped by relatively mild weather and efforts to save energy in Europe. The new cap, however, remains more than 60 per cent above the level at the end of 2021, when wholesale energy prices surged in the run-up to Russia's invasion of Ukraine.
Rachel Millard

PENSIONS

Labour: boost capital through growth fund

Labour is prepared to force pension funds to invest in a proposed £50bn "future growth fund", as it aims to boost capital for fast-growing UK companies.

Rachel Reeves, shadow chancellor, said she did not believe Labour would need to mandate retirement schemes to invest in the new fund because of the goodwill in the sector, but added: "Nothing is off the table."

Speaking on a visit to the US, she said she also wanted to accelerate the merger of smaller UK pension funds to consolidate a fragmented market. She added that the culture of Britain's savings industry needed to change, with homegrown funds that could persuade companies to list in London.
George Parker and Josephine Cumbo

INVESTING

Dividends surge to $326bn record

Dividends issued in the first quarter by the world's largest listed companies hit a record this year, even as prominent investors and asset managers warned of a coming global economic slowdown.

The world's 1,200 biggest public companies collectively issued $326.7bn in dividends in the first quarter of 2023, a rise of 12 per cent on the same period a year ago, according to a quarterly report from fund manager Janus Henderson.

Payouts to shareholders were boosted by the largest contribution in nine years from special dividends, as companies such as carmakers Ford and Volkswagen made one-off contributions. *Arjun Neil Alim*

UK ECONOMY

Gilt yields soar after inflation blow

Gilt yields hit levels not seen since last year's "mini" Budget crisis after the UK reported far higher inflation than the Bank of England had hoped.

Market expectations of further interest rate rises soared after official figures showed consumer price inflation of 8.7 per cent for April — down from March's 10.1 per cent but above the BoE's 8.4 per cent forecast.

Despite its fall to single figures, inflation in the UK is now about double the equivalent US rate and significantly above that of the eurozone. The yield on two-year gilts shot up 0.24 percentage points to 4.37 per cent, pushing them towards the levels of last year when then-prime minister Liz Truss's unfunded tax cuts wreaked havoc in financial markets.
Chris Giles and Mary McDougall

Dominic Lipinski/Bloomberg

PROPERTY

London rents outpace record UK increase

Residential rents in the UK rose at a record rate in April, with tenants in London facing an even greater increase, as borrowing costs and a shortage of properties pushed up prices.

Private property rental prices across the country rose 4.8 per cent in the 12 months to April, the biggest increase since the national data series began in 2016, according to figures from the Office for National Statistics. Renters in the capital faced an even bigger increase of 5 per cent, the highest rate since November 2012. *Valentina Romei*

GREEN INVESTING

Solar investment to exceed oil, says IEA

Solar power investment is set to outstrip spending on oil production this year for the first time, the head of the International Energy Agency has said, highlighting a surge in clean energy development.

"If these clean energy investments continue to grow in line with what we have seen in the past few years . . . we will soon start to see a very different energy system emerging and we can keep the 1.5C goal alive," Fatih Birol, executive director of the IEA, told the Financial Times. *Tom Wilson*

MORTGAGES

Home loan rates rise as gilt yields surge

Lenders, including Nationwide Building Society, have put up rates on new mortgages after higher-than-expected UK inflation data pushed gilt yields towards levels not seen since last year's "mini" Budget crisis.

The decision comes after official data on Wednesday showed consumer price inflation was 8.7 per cent for April.

Nationwide said the movement in gilt yields was behind its decision to increase the cost of fixed-rate products by as much as 0.45 percentage points from Friday. *FT reporters*

Drax's Yorkshire power plant will be fed by US wood pellets — Westend61 GmbH/Alamy

Drax's switch from coal to wood pellets holds serious risks

This article is from Moral Money, an FT newsletter. FT.com/moral-money

Moral Money

Inflation has pushed up the cost of the wood pellets vital for power providers shifting from fossil fuels, piling pressure on profit targets and investment returns.

UK power provider Drax plans to spend £7bn from 2024 to 2030, paid for by its existing operations and in part by tax credits from the US Inflation Reduction Act.

Drax also revealed it is going to the US to survey sites for new wood pellet facilities to supply its hungry power needs in the UK.

The announcement follows Drax's "landmark" disclosure in April that it had eliminated coal from its North Yorkshire power station after nearly 50 years. Once the largest coal-fired power station in western Europe, the plant east of Leeds now burns renewable wood pellets for electricity.

"The planet cannot solve the climate crisis without the combination of reliable, renewable electricity and carbon removal technologies," said chief executive Will Gardner.

But hiking into the world's forests for power involves dark and deep risks. Drax acknowledged it faces some of the capital expenditure challenges that shook the world's largest wood pellets maker this month.

US-based Enviva was forced to eliminate its big dividend to continue developing wood pellet plants.

Enviva's shares are down 60 per cent this month. Drax, a FTSE 250 company, is the world's second-largest wood pellet producer after Enviva.

"Drax has seen significant inflation with regards to new pellet plant capacity capital expenditures," analysts at Morgan Stanley said in a report on Tuesday.

Enviva is also a big wood pellets supplier for Drax as well as Lynemouth Power and MGT Energy.

Part of Drax's plan to pay for its biomass efforts includes selling carbon credits. But this effort also carries risks. "The voluntary carbon market continues to face integrity challenges and remains in its nascent stages," Morgan Stanley said. While Drax's biomass can contribute "relatively high-quality carbon credits", the market is not yet large and is "a key uncertainty" for the company, the bank said.

In April, the FT reported that Drax is under investigation by the UK energy regulator. Ofgem is probing the company's compliance with sustainability rules amid scrutiny of the wood it burns to generate electricity.

In Brussels, the investment thesis for wood pellet providers remains intact. Two years ago, wood pellets were a controversial piece of the bloc's clean energy plans. While cleaner than burning coal, wood pellets produce carbon dioxide — and environmentalists frown upon the fuel. But wood pellets have been included in the EU's latest renewable energy directive expected to be finalised later this year.

"The [regulatory] backdrop is favourable for biomass and I don't think there is any inherent threat to the business in the near term," Jonathan Levy, an analyst at Truist, said.
Patrick Temple-West

NEWS

Stuart Kirk Weddings — and divorce — play havoc with your investment returns BACK PAGE

Private equity investment trust discounts widen

INVESTING

Average discount across 14 PE trusts is 34 per cent

CHRIS FLOOD

Private equity investment trusts have seen extreme gaps emerge between the valuations that managers attach to the illiquid assets in these listed vehicles and the prices that investors are ready to pay.

The divergence has raised questions over whether trust managers are taking an overly optimistic view of their prospects amid a weak outlook for economic growth and high inflation, or investors are missing out on possible bargains if bad news is already priced in.

Private equity managers thus far have made only modest adjustments to the valuations of the illiquid assets which they own, even though the share prices of companies listed in broader public markets trade far below their peak levels.

Discounts on investment trusts

Per cent

* PE sector trust discount excludes 3i Group
Source: Investec

Investors' reluctance to pay the valuations reported by private equity managers is reflected in discounts on the trusts — the gap between the reported net value of their assets (NAV) and their share price — currently ranging between 18 per cent and 54 per cent, according to Investec.

It has calculated that the 14 largest private equity investment trusts (excluding 3i, which is a company rather than a fund) have reported a combined net asset value of £17.3bn but their aggregate market capitalisation was just £11.1bn, creating a gulf of £6.2bn on May 23.

The average discount across the 14 private equity trusts was 34 per cent, compared with a discount of 14 per cent for the investment trust sector as a whole.

Alan Brierley, an analyst at Investec, said large discounts have become "embedded" in private equity trusts, damaging the returns earned by investors. One obvious solution to address excessively large discounts would be for trust boards to approve share buybacks but most private equity managers appear unwilling or unable to pursue this option.

"A rethink is required as the current discount management strategy has failed. Buybacks can give some comfort at a time when there clearly are concerns about valuations. Buybacks also provide liquidity and can dampen the volatility in discounts," said Brierley.

Nick Greenwood, manager of the £81mn Premier Miton Migo Opportunities trust which exploits mispricing across the entire investment trust sector, said that investors' confidence has been damaged.

"Investors will take the view that if this widening in the discounts has happened once, it can happen again. Managers have shot themselves in the foot with their failure in the past to address discounts. It will be difficult for the private equity trusts collectively to achieve a meaningful narrowing of the discount across the sector," warned Greenwood.

The Migo Opportunities trust owns stakes in the Neuberger Berman Private Equity trust which is trading on a 33.7 per cent discount and the Oakley Capital Investments trust which is on a discount of 29.5 per cent.

Neuberger Berman said the NBPE share price represented an "attractive entry point" and the trust discount "materially undervalues NBPE's portfolio, balance sheet strength and prospects." It gave permission to investment bank Jefferies in October to conduct a buyback programme but no NBPE shares have been repurchased to date.

High fees for private equity trusts with annual ongoing charges running up to 7 per cent are also forcing sales by wealth managers, who are concerned about passing these costs on to clients. This is driving a vicious circle of discounts.

"High fees for private equity trusts mean they have become uninvestable for some wealth managers and fund platforms. This has created structural selling pressure which is having a disproportionate impact on private equity trust discounts," said Greenwood.

He acknowledged that investors were also concerned about trusts using inflated valuations that did not reflect the impact of higher interest rates on the earnings delivered by highly indebted private owned businesses.

"We are only now seeing the valuations for December 31 being disclosed for the portfolio companies owned by private equity trusts.

"These end of year valuations are audited by the big four accountants and that should provide some comfort to investors that the NAVs reported by the private equity trusts are increasingly realistic," he said.

Are trust managers being overly positive about their prospects? Simon Dawson/Reuters

OPINION

Investing in artificial intelligence – the hype and hope

Simon Edelsten
On investing

Technology will advance – how soon before graphene chips hit the market, at 10 times the speed of today's chips?

I have just had a break to walk the UK's 100-mile South Downs Way from Winchester to Beachy Head on the south coast. The plan was to chalk off 20 miles a day for the first four days and then ease up. Dream on!

Day three was the killer. My blistering pace resulted in . . . well, blisters. Able only to hobble, I had to abandon the final legs of the trek. I will finish it one day – but at a more prudent pace.

Perhaps not surprisingly, I have reflected on how we sometimes let our enthusiasm blind us to the realities of life. In the investment world the most recent example of this is artificial intelligence (AI).

So hot has AI become that any chief executive who mentions it in their plans is likely to see a decent pop in share price. It is even hotter than the metaverse was a couple of years ago – but maybe that is best forgotten.

Is the investment excitement around AI all hype and hope? It is exciting, but it is not new to many investors. Specialist funds and ETFs in this space go back several years – long before the launch of ChatGPT triggered much of the recent hype. Those of us interested in big data have understood for several years that the technology would progress and require processing power. We recognise its potential – and some of its limitations.

Even if we agree that AI is a big thing and lots of people are going to do an awful lot of it, investors still have to try to work out which companies might benefit. Perhaps more importantly, are their shares worth buying? There is a difference.

I always want to justify the price paid for a share in terms of the cash that will eventually support it. This requires assumptions about costs, growth, tax and, with technology stocks, dilution from shares issued to "pay" management and staff. Analysts valuing tech stocks often do so based on sales revenue.

All these assumptions become strained, however exciting the growth story, when a share trades roughly above five times sales.

During the 2000 tech bubble Sun Microsystems saw its shares run to $64 before crashing to $10. Co-founder Scott McNealy later challenged the valuation discipline of investors who had bought or held his shares at the peak.

"At 10 times revenues, to give you a 10-year payback, I have to pay you 100 per cent of revenues for 10 straight years in dividends," he said. "That assumes I have zero cost of goods sold, which is very hard for a computer company. That assumes zero expenses, which is really hard for a company with 39,000 employees . . . assumes I pay no taxes . . . [and] assumes that with zero R&D for the next 10 years I can maintain the current revenue run rate . . . What were you thinking?"

Investors should be wary of "What were you thinking?" stocks in the AI universe. Some might argue that chip designer Nvidia has reached that status. Processing power appears to be the bottleneck in the AI boom, so Nvidia looks well placed to benefit. But the shares have trebled since last September on the AI story.

Today, Nvidia is valued at nearly $1tn and has expects sales this year of around $40bn. So the company is priced at nearly 25 times sales. Those could grow rapidly with AI, but even if the company maintains its margins forever, by my maths it would need to increase sales by around eightfold to justify the current share price.

Are there alternatives? Nvidia is now "worth" nearly double the value of the world's largest chipmaker.

TSMC, which we own, has NT$2.3tn of sales compared with a market value of NT$14tn, so is valued at a price/sales ratio of six. As TSMC makes Nvidia's chips and most other AI beneficiaries, that would seem a cheaper alternative investment.

And then there is Intel. Those with long memories might remember the early 1990s, when processing power was the limiting factor on what your personal computer could do. So important was your processor that PCs were labelled "Intel inside". The company's shares peaked at just below $74 in 2000; they are worth a little less than $30 today.

Intel makes central processing units (CPUs) – not the graphics processing units that Nvidia sells, which were originally designed for gamers and which, for speed, split tasks into many parallel smaller tasks. CPUs tend to do things in sequence. Speed is sometimes mission-critical (for instance, if you want to mine a bitcoin there is no prize for coming second). But for many tasks, speed and cost of processing will see a trade off. Intel shares trade on 2.2 times sales. I have bought some at that price.

We should consider Google and Microsoft too. Both have been working on their own chip designs for some years. Google is expected to use its own chips (called tensor processing units – TPUs) in its cloud servers from 2025. Microsoft's Rapid Assured Microelectronics Processor design is already being used in the company's Azure cloud by the US defence department.

These two companies (we hold both) have another advantage. At its core, what AI does is process data very quickly. But it needs that data, which is good for people who have lots of it. Google has all the searches we have ever typed into it. Microsoft has its Bing search engine and is busy collecting data of its own.

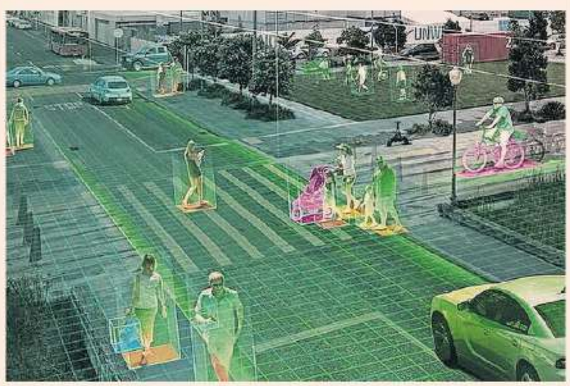
We hold another company that might benefit – Accenture, the world's biggest IT consultant. Its clients are mainly companies whose in-house IT will need support in addressing the opportunities and challenges of AI.

Will AI transform the fortunes of any of these businesses? It should provide a useful tailwind.

But this is a complex area. In the coming months lots of different visions will be offered by people who are much more capable than me with a screwdriver and soldering kit. The technology will advance – how soon before next-generation graphene chips hit the market, offering 10 times the speed of today's chips? There will be several ways to play the theme. And it will be just as important to consider which of your shares could be undermined by the new tech – AI may destroy as many businesses as it creates.

It is good to have AI beneficiaries in your portfolio. But you should be careful with valuations – if you are relying on growth for a return, set realistic expectations. Hope is good, but will not overcome all.

Last week reminded me of that. My sore feet recovered in a couple of days; it can take a lot longer to recover investment losses.



Simon Edelsten is co-manager of the Mid Wynd International Investment Trust and the Artemis Global Select Fund

READERS WRITE

How to invest in wind farms, motorways and mobile masts
I think many of these funds have suffered as bond yields have risen, and this will presumably continue until interest rates settle. Cordiant and Sequoia have faired badly. The power generators (Greencoat and Bluefield solar) have done well because power prices are high.

In the past, infrastructure and power generation looked good because bonds returned so little, but as rates settle at a higher level I can see bond funds once again becoming attractive, and even Gilts generating higher, and risk free, returns. — *Extra Time, via FT.com*

This is a cunning ploy from the government to rob the pension savers to further their political stunts, for there is hardly any precedence of early investors in infrastructure projects making any money. — *The Annon, via FT.com*

NatWest: mass free share offer could revive UK stock ownership culture
It sounds overly complicated, and very expensive to administer. Poorer people, less connected, typically will be less likely to sign up. — *andother, via FT.com*

NatWest isn't a small-cap share but retail investor participation is crucial for the small-cap ecosystem. Reviving a culture of equity investing via the distribution of NatWest shares could help achieve this, though we are never going to be able to repeat the series of privatisations in the 1980s. — *Billy_Ray_Valentine, via FT.com*

Can biodiversity funds help investors protect wildlife?
If you want to do something for biodiversity, simply pass legislation that keeps land out of reach for business! — *stonehenge, via FT.com*

Equity release sales among over-60s jump by 28 per cent
It would be far better if old people downsized their unnecessarily large properties to release equity and let families have somewhere to live, but I guess that is not on the cards. — *Motacilla, via FT.com*

Drawdown income from defined contribution pension schemes isn't regarded as "the right kind of income" when considering mortgage affordability. Consequently it's harder for older people to borrow; they may be forced into equity release products on new purchases. — *Max Factor, via FT.com*

The minted boomers love to tap equity release from their gargantuan unearned property gains. And best of all, the money their houses earn is 100 per cent tax free. They can liquidate £6bn a year to pay for cruises, conservatories and gifting little Jonnie £50,000. — *TheSadTruth, via FT.com*

Another symptom of the dysfunctional housing market, where borrowing more money is more attractive than downsizing. — *AM, via FT.com*

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ANALYSIS

How much cash should be in your rainy day fund?

Are you getting the best interest rate? — Getty Images/iStockphoto

COMMENT

Brooke Masters

It is a first principle of financial planning that everyone needs an emergency fund with enough money to cover three to six months of outgoings in an easy to access account in case the car dies or a family member loses a job or gets sick.

For the past couple of decades, investors haven't had to think hard about where to stash their cash. Interest rates and inflation were so low it didn't make much difference whether the money was in a current account, a high-yield savings account or a money market fund. None paid much and cash largely held its value.

Years ago, I opened a savings account at Capital One bank that promised better rates than my current account provider. Yet the interest rate had barely budged in the past year, below 1 per cent as the US Federal Reserve increased the policy rate past 5 per cent.

But Capital One paid an average of 2.54 per cent for deposits in the first quarter, well above the 1.85 per cent average paid by its peers, according to analysis by BankRegData. And my daughter mentioned she was getting 3.5 per cent on a Capital One account she had just opened. So I called customer service.

You have an old product, they said. You need to open a new account to get a better rate. So they have stiffed long-term customers like me while offering sweeteners to new ones. (Capital One said it is "proud to offer a range" and "encourages customers to regularly review" to be sure they are in the best ones. So they think it's my problem.)

Experts say this is common and something investors need to be aware of on both sides of the Atlantic. UK banks routinely offer cash bonuses for new accounts but MPs recently castigated high street banks for "measly" interest rates.

Rather than parking the entire emergency fund in a current account, investors should layer their cash, says Georgia Lee Hussey, a wealth manager based in Portland, Oregon.

Everyone should have "half a month or a month of extra cash in your checking account", plus another month of back-up in a savings account attached to the current account, Hussey says. The next two to four months of cash should be in a high-yielding savings account that offers easy online access.

Ructions over uninsured deposits after the collapse of Silicon Valley Bank serve as a reminder to keep the total amount in each institution below the cap on government protection schemes: $250,000 per account in the US, £85,000 per person in the UK.

Investors should shop around for better rates and take advantage of bonuses given to new customers.

The big question is what to do if you have more than six months of cash on hand. Large numbers of investors who saved money during the pandemic have been reluctant to plough it into equities and bonds after last year's turbulent markets. And investors saving for a near-term goal — a tuition payment or down payment on a house, for example — may not want to risk losing their principal.

If the markets seem too scary, term deposits and money market funds are an option but each have downsides. Term deposits lock up cash for a specific period, often with penalising early withdrawal. And money market funds, though they offer instant access, are not covered by deposit insurance because they are not banking products. Record recent inflows in the US into these funds, which invest in very short-term securities, led US Treasury Secretary Janet Yellen to warn that they could be subject to runs at a moment of crisis.

Financial advisers warn that cash is an area where you really can have too much. It may feel comforting to have five years of income sitting in a bank account, and it is easy to be wowed by safe accounts that promise returns quadruple what was available only a year or two ago.

But inflation is eroding that nest egg every day. Long-term savings for a house purchase in a decade or retirement in 20 years do not belong in a cash account. Studies have shown that investors who sit out scary periods in the markets often miss out on most of the gains. Don't be one of them.

The author is the FT's US financial editor. brooke.masters@ft.com. Follow her at myFT and Twitter

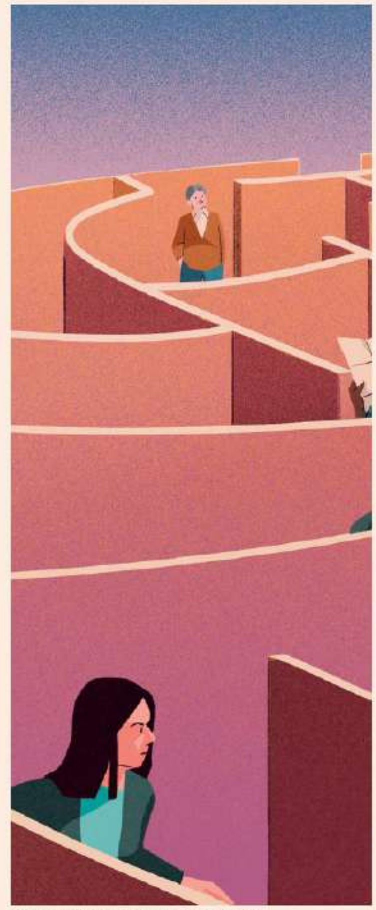
Listen to the FT Money Clinic podcast at **FT.com/money-clinic**

COVER STORY

MOTORING

Petrol or electric? New or used? Cash or credit? **Peter Campbell** assesses the UK's car market as it slowly recovers from supply chain shortages

Car buying: navigating a labyrinthine market



For Ben and Pamela Thomas, the decision over whether to buy an electric car was decided by a stray roof tile.

When a storm dislodged the ceramic projectile that wrote off their trusty VW Polo, they searched for a new model, and were keen to try an electric vehicle. Yet more than a year later, they are still waiting.

At first, they waited months for an electric Hyundai, only for the factory to cancel the order weeks before delivery. Then a broker found the same brand new model in stock.

The lease deal allowed them to "try" the battery car for two years, says Ben Thomas, while the low running costs and environmental benefits appealed to the retired hospital manager. Finally, in two weeks, they will get the chance to use the charger they installed in their Surrey home last spring.

Their purchase reflects the experiences — and frustrations — of millions of UK motorists who navigate the car-buying process. Decisions such as whether to buy electric or not, selecting a new or used model and which finance product to use for the purchase have made it a complex process. Added to this, production delays have caused hold-ups for even the most determined buyer.

Just as new vehicles become more expensive — with costly electric cars gaining popularity — persistent inflation is sapping consumers' spending power, while rising labour and material costs and higher interest rates threaten to push up car loan charges.

New or used?

Last summer car manufacturing was struck by a combination of semiconductor shortages and Covid-related shutdowns in Chinese plants that supply intricate engine parts. Global carmaking slowed to a trickle.

This led to months-long waiting times for even unexciting car models, and spilled over into unexpectedly high demand for second-hand cars. The phenomenon propelled used car prices above the level of new models.

This turned the industry's golden rule — that cars shed value the moment they drive off a forecourt — on its head. Car traders, used to eking out profit margins with canny trading, simply had to take delivery of new models, wait a week or so, and then flip them for more money.

Demand is still high. Britain's used car market recorded its strongest spring in three years, with 1.8mn cars sold between January and March this year. There were a record 82.5mn visits to the AutoTrader site in March, 15 per cent higher than a year earlier.

"If you consider us as a bellwether, it's a good sign that people are interested in buying cars," says Ian Plummer, the online marketplace's chief commercial officer.

"At one point we were discounting our cars between 5 and 10 per cent," says Bill Berman, chief executive of Pendragon, one of the largest used car dealerships in the UK. "We're not having to discount vehicles at all."

Yet hints of normality are beginning to reappear. Used car prices, which were up by a third in April 2022 compared with a year earlier, are now almost flat compared with a year ago. The chip crisis is also beginning to wane, and carmakers expect the taps to turn back on this year.

Waiting times for cars — which could be years at the peak of the shortages — have fallen back to more normal levels. "Typically, manufacturers are talking about delivery times of around 3-4 months," says Paul Harrison, director at Leasing.com, a comparison site.

Still waiting for their EV: Ben and Pamela Thomas — Daniel Jones/FT

However, used prices are likely to remain robust. The dearth of new cars caused by factory closures in 2020 will be felt as the hole in the market washes through the system.

"We are short of 2.5mn cars that never got sold, and that will never exist as used vehicles," says Dylan Setterfield at Cap HPI, an automotive data provider. "That has a big impact on the used market."

Lease or buy?

Using cash or bank loans to buy cars is long gone. More than 90 per cent of new car sales are based on a depreciation-based model, and almost half of second-hand sales use them as well.

Under this arrangement, a consumer finances the amount of value the car loses over a period (typically three years), rather than the old-fashioned "sticker price".

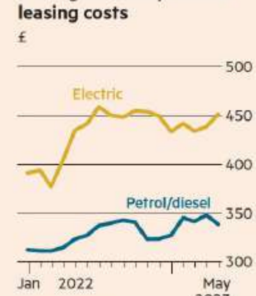
The most popular finance deal, a personal contract purchase (PCP), gives consumers the chance to buy the car at the end of the loan, or they can roll any equity in the vehicle into a new deal.

This explains the growth of premium brands such as BMW and Audi, as drivers found their products, which have strong second-hand values, just as cheap to access using a PCP as a Ford or VW. It is also an increasingly vital help for consumers seeking a new model: the average list price of a new car has risen by 38 per cent in just three years.

But borrowing money is now more expensive. APR deals of 0 per cent, once almost ubiquitous, are near-extinct. The industry is in a "period of adjustment", says Harrison at Leasing.com. "We are now understanding what the true cost of new cars is versus the incredibly low rate environment we had all become used to."

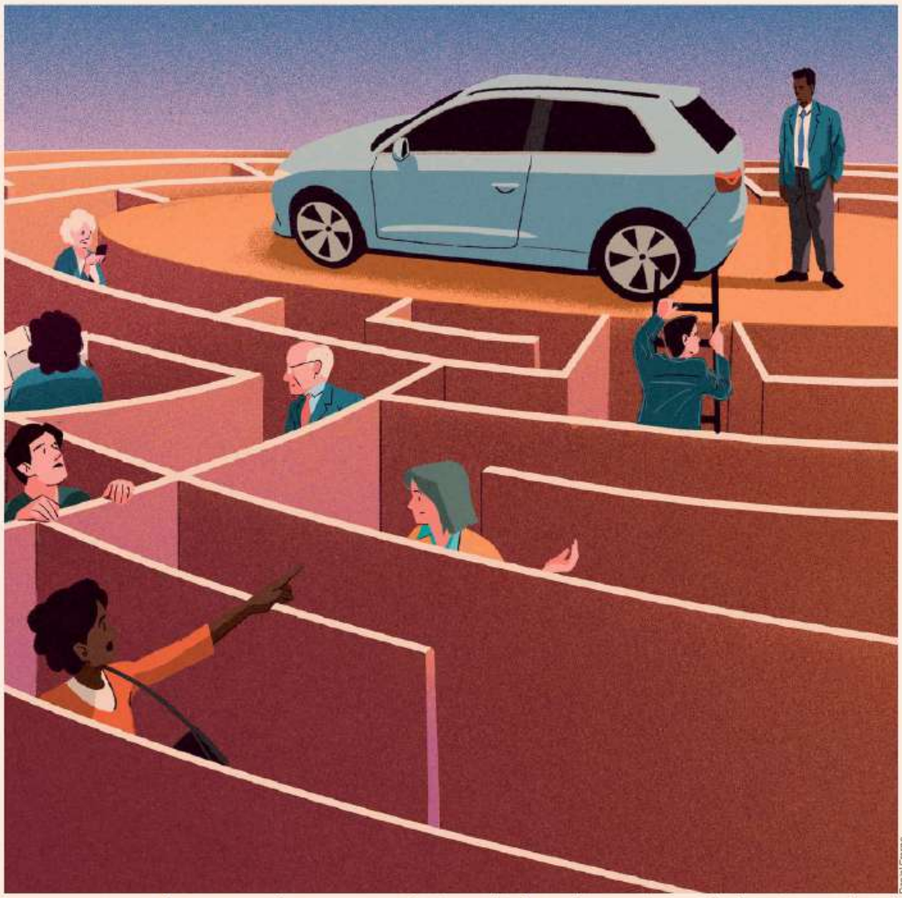
Costs are rising. VW says about one in 10 of its retail customers have opted to extend their PCP for another

Average monthly vehicle leasing costs



Source: leasing.com

COVER STORY



Daniel Crespo

The EV sceptic 'Charging your car is just another thing to remember'

Living in London with a driveway should make Kirsten Snelling an ideal customer for an electric vehicle.

With around 42,000 public charging points available and 1mn electric cars on UK roads, the industry expects the majority of EV charging to happen on driveways or at workplace car parks.

But when her three-year old Mazda crossover came to be replaced, Snelling got the map out. The classic combination of the school run and errands meant most journeys were manageable, even in an electric car with a short range.

But frequent trips to see friends in Cornwall, leaving her reliant on the motorway network for charging, as well as concerns about needing to ferry two children, meant she was not yet ready to take the leap.

"I know charging at home is easy but if anything goes wrong there could be big consequences, especially when travelling with kids," she explains.

In the end, she ordered the same Mazda again — even though the payments had risen by almost £80 a month.

"It already feels like, more often than not, it's the woman of the household that carries the mental load for the family, and [the charging] is just another thing to remember that I know will fall to me."

Ben Thomas, on the other hand, was happier to take the risk, even though it is a long drive from his Surrey home to see his children near Manchester.

Under his lease agreement, "we are only tied in for a couple of years, so we can try the car," says the retired hospital manager. "It's partly the environmental thing, but the running costs should be cheaper. And so we thought we wanted to give it a go."

Steady climb: UK used cars

Average price (£'000)

Source: AutoTrader

year at the same rate on the same car, rather than refresh their model and lock in a higher price.

"Consumers are looking to eke out as much value as they can," Harrison says. "Within leasing, that means people are typically going more for volume brands rather than premium."

Yet the real picture on financing costs is complicated. Lease rates on non-electric cars have not soared, even as APRs climb from close to zero into the double digits.

"Affordability is not as bad as it seems," says Mike Todd, head of financial services at VW in the UK.

A spike in the third quarter of last year — coinciding with the market turmoil surrounding the Liz Truss premiership — has subsided slightly.

There are three drivers. First, banks are resisting passing through higher rates. "Often, changes in Q4 won't be felt until Q2. [The banks] are trying not to pass it on," says Harrison.

Second, used cars shortage means residual values are strong. If cars lose less value, less depreciation needs to be refinanced, so payments do not climb as sharply even if borrowing costs have risen.

A significant consequence is the strong resale value of cars. Almost every buyer taking out a PCP is trading in a vehicle worth more than was expected in 2019. This means they have more equity in the vehicle, which they can roll into the next deal.

The upshot is that, even though advertised costs are higher, the overall costs come down.

"Today's customer, because of residual values, has more equity in their vehicle than they did three years ago when part-exchanging a 2017 car," says Todd at VW.

Battery or fuel-burner?

The burning question for anyone seeking a new model is whether to embrace the forthcoming electric era or have another round in an engine-powered car — petrol, diesel or, increasingly, hybrid. New electric cars' sticker prices are expensive, but finance deals can bring better value.

EVs are cheaper to run, with lower (though not zero) refuelling costs and less expensive maintenance. Most new cars come with an eight-year battery warranty.

While the UK's "plug in car grant", has been scrapped, there are still subsidies if you know where to look.

Top of this pile is for employees who can persuade their companies to open salary sacrifice schemes so a car can be paid for out of pre-taxed income, thus lowering an employee's tax bill. The current system heavily incentivises electric vehicles.

"It's still the case that salary sacrifice is cheaper when getting an EV compared to a petrol car," says Fiona Howarth, chief executive of Octopus EV, an electric vehicle leasing group.

According to Octopus's online calculator, an electric Renault Zoe is £409.30 a month, compared with £287.32 for its petrol cousin, the Clio. But the Clio has higher costs once maintenance, servicing and — importantly — fuel costs are lumped in.

Octopus expects that, for a basic rate taxpayer, the electric could be almost £250 a year cheaper. Higher up the tax brackets, the gap widens.

When purchased by a 40 per cent higher rate taxpayer, a Tesla Model Y has almost £2,000 a year saving over an Audi Q3, despite both cars being near-identical in their £449-a-month lease payments, the calculator says.

Sales of used cars

By fuel type, 2022

Petrol	3,903,587
Diesel	2,691,293
Hybrid	155,055
Electric	71,071
Plug-in hybrid electric	55,053

Source: SMMT

For someone paying income tax at 45 per cent, Audi's electric e-tron GT — an £85,000 sports car — saves £5,000 a year compared with the high-powered Audi RS4.

"Electrification will actually be acting as an accelerator of the [leasing] trend," says Annie Pin, chief commercial officer of leasing company ALD. "Today an electric vehicle is quite expensive so actually people will have a tendency to lease it."

Four times as many people in the UK buy used cars rather than new. The first wave of mass-market long-range EVs, sold around the turn of the decade as new emissions rules kicked in, are just starting to come into the second-hand market.

Used EV prices across the board have fallen steadily for eight months, as the supply of second-hand models floods a market that is still, broadly, wary of the new technology.

"It feels like there has never been a better time to buy a used EV," says Lauren Pamma, director at the Green Finance Institute.

A three-year-old electric Jaguar I-Pace is cheaper than the brand's engine-version F-Pace; a three-year-old battery Renault Zoe is cheaper than its petrol Clio cousin, while a Tesla Model 3 and a BMW 3 series — once separated by £22,000 — are now only £3,000 apart, she says.

"There is a massive need to develop a [functioning] used market for electric vehicles," says Toby Poston, head of policy at the British Van and Rental Leasing Association, the trade body for fleet buyers.

Slowly, education and experience is helping to assuage buyers' concerns over EVs. One early fear was that batteries would smoke out after only a handful of years. Yet a study by telematics company Geotab found that a fleet of 6,000 EVs, running millions of miles between them, suffered only 2 per cent degradation per year.

Evidence from the US shows that EVs with a "battery certificate" to quantify their health status fetched better prices than those without.

The EV shift also loosens the ties that customers have to traditional brands and even brings premium and mass market segments closer together. If every vehicle accelerates like a sports car, then consumers may be less willing to pay more simply for nicer interiors.

"Consumers are hopping from looking at an Audi to a car from Škoda to a car from Kia," says Ginny Buckley, director at consumer advice website Electrifying.com. "Five years ago that was unthinkable. But electrification has really opened that up."

INSIGHT

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Financial commentary and investment insight

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Energy stocks: first, select your shade of green

The energy may be renewable. That does not always seem to apply to investor enthusiasm. Green energy stocks have swung from high to low like the tip of a wind turbine blade. Even so, they play a growing role in the portfolios of private investors.

But what is the best way to participate? Through "pure green" energy groups? Or via businesses in the process of transformation?

Two years ago investor enthusiasm for companies pursuing climate-friendly policies reached feverish levels. The problem was that too much capital chasing too few big businesses pushed shares too high. Stocks such as Denmark's Orsted tumbled when their energy output was disappointing.

Orsted sold its oil and gas operations to become the world's largest wind farm operator. Its shares trade at what green investors would see as a depressed level.

The stock of UK energy group SSE is even cheaper. This is because it is exposed to the old energy economy as well as the new one. The FTSE 100 company builds and operates renewable energy infrastructure such as offshore wind farms in the UK. It also owns electricity grids in Britain. Its thermal business runs gas-fired power plants and methane storage facilities.

A pure-play renewables group such as Orsted is easy to understand at an operational and ethical level. But its shares — and its cost of capital — are likely to be volatile. A mixed energy company such as SSE is more opaque but is also a steadier proposition.

SSE resisted pressure from US activist Elliott to spin off its renewables arm in hopes of a value pop. Longstanding boss Alistair Phillips-Davies can now feel justifiably smug for holding out.

SSE's diversified structure helped it during 2022 as Russia's invasion of Ukraine shook up energy markets, its full-year results this week showed.

Its thermal generation business contributed most to adjusted annual pre-tax profits, up 89 per cent to £2.2bn. Gas-fired power plants help to meet electricity demand in Britain when renewables such as wind and solar units cannot.

Last year, gas-fired stations accounted for 38.5 per cent of Britain's electricity generation mix.

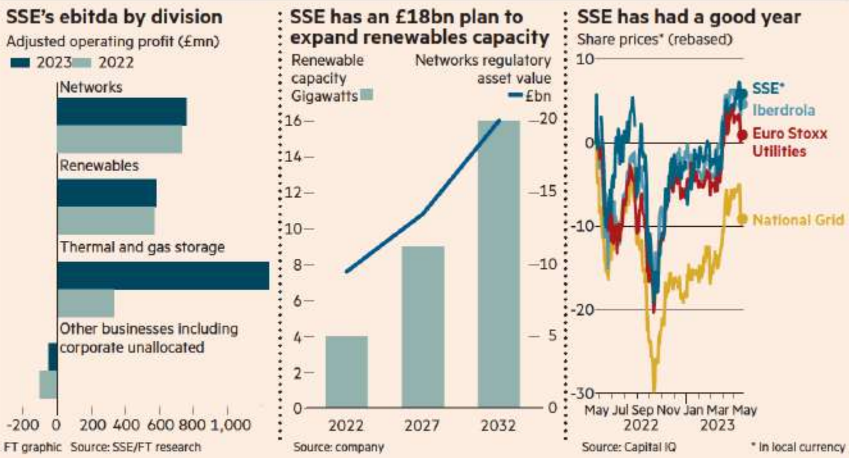
Profits growth at SSE's renewables business was ironically damped by insufficiently blustery weather conditions last year. A UK windfall tax on low carbon electricity generators cost it £43mn.

SSE wants to expand all three of its units. It upgraded investment plans to spend £18bn by 2026-27, half of which will go towards networks. Previously SSE had targeted £12.5bn of investment by 2025-26. Last year's strong performance also means SSE will no longer have to sell a stake in its electricity distribution network business to fund its investments.

Yet SSE must also cope with rising supply chain costs. Wind turbine makers have increased their average selling prices by more than 33 per cent since the end of 2021. Indeed, £2bn of SSE's upgrade to its investment plan accounts for supply chain cost increases. New energy projects in the UK also face lengthy hold-ups in securing grid connections.

The shares have fared well this year, rising 12 per cent. They trade on a forward earnings multiple of more than 12.5 times, cheaper than some European peers such as Iberdrola on 16 times, as well as National Grid at 15.7 times. The chill wind of break-up calls could return. But for now SSE has done enough to silence its critics.

Powering on SSE relies on diversification to get through the energy crisis



SSE plans to expand its renewables division

Drahi dials up more shares in BT

There is interference on the line at BT. Israeli tycoon Patrick Drahi — owner of auction house Sotheby's — has increased his holding in the group to 24.5 per cent. A 30 per cent mandatory bid trigger — according to the UK's Takeover Panel — is in view.

But Drahi's holding company Altice could not easily acquire BT. Has the wheeler dealer — who favours using debt for acquisitions — mellowed into a middle-aged rentier, content to collect the UK telecoms group's 5 per cent annual dividend yield?

Altice argues BT offers long-term value. It says it has no plans to bid for BT — with some exceptions. These include a board recommendation or a third-party offer.

UK officials approved an increase in Drahi's shareholding to 18 per cent. His interest is now just under the 25 per cent threshold that would trigger another review. The UK would probably block the full purchase of BT by a debt-heavy foreign buyer, even if BT directors agreed and Drahi could finance the deal. The UK would hardly be keener on Drahi buying BT's broadband unit Openreach.

Altice says Openreach's fibre buildout attracts Drahi. But with 37,000 employees, many in the BT pension scheme, Openreach looks doubly difficult to prise away. BT only expects its pension scheme to be fully funded by 2034. Trustees there have influence and can demand deficit reduction in the event of a takeover. That would raise the cost of buying any part of BT.

Drahi's shareholding amounts to a blocking stake. But it is hard to see how he could sell it without a viable alternative bid. It mostly consists of cash equities, some acquired during hectic trading after BT presented mixed full-year results last week.

Add Drahi's stake to the holding in BT of Germany's Deutsche Telekom and you get to a 37 per cent overhang, New Street Research notes. Neither side can easily sell to the other.

In philosophy, Occam's razor insists the simplest solution is often right. That would mean Drahi simply expects BT to roll out fibre rapidly and profitably, boosting its share price, but the tantalising possibility remains that he has a side bet on mergers and acquisitions activity.

Lex online
For notes on today's stories go to **FT.com/lex**

YOUR QUESTIONS

How can I check that I'm compliant with IR35?

I have worked as an IT contractor for many years. I received a letter from HM Revenue & Customs suggesting I may not have complied with IR35 tax rules on off-payroll employment. I'm confident I have, as I've received tax advice from my client, but I worry about signing the enclosed certificate of my tax position. How can I check I'm fully compliant?

Karim Oualnan, partner in the London office of JMW Solicitors, says IR35 rules are relevant if a contractor or "self-employed" worker provides services through their limited company or intermediary to a client. If the contract falls inside IR35, the individual will be considered as an employee for tax purposes and must pay national insurance contributions and income tax to HMRC.

You should not rely on your client's determination of your IR35 status. Whether innocently or intentionally, your client may incorrectly state your position, and ultimately you are responsible for your own tax.

It is vital that you keep detailed records of your income and expenses to ensure you pay the correct tax.

HMRC "nudge letters" were introduced to combat tax avoidance, reminding recipients to review their tax affairs. Given that you received one, it is likely HMRC suspects you have incorrectly completed a tax return or fall within IR35 legislation.

A certificate of tax position allows recipients to declare that their tax affairs are incorrect, correct, covered by allowances or reliefs, or not liable for UK tax. This gives individuals the chance to rectify issues with HMRC before it brings an official inquiry.

Determining whether your working arrangement falls inside or outside IR35 is complex. Review the criteria on HMRC's website. They include factors such as control, whether you can be substituted, any obligation to give work and any subsequent obligation to do the work.

The consequences of incorrectly completing the certificate can be significant, including penalties, interest and even legal action, including civil or criminal investigations. If you are not sure, it may be better not to sign the certificate and consider seeking professional advice from a specialist.

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Lucy Warwick-Ching

OPINION

Should I cut back on my holiday spending?

RICH PEOPLE'S PROBLEMS

James Max

Holidays are essential, not a luxury. And a bit of luxury is also essential. Not that my bank account would agree. So is it even a good idea to consider booking a hotel where it costs over £1 a minute to stay?

It's not as if I can't escape the Big Smoke. I have a second home nestled on England's Gold Coast, Frinton-on-Sea in God's own county, Essex. I love it there. The beaches have glorious golden sand, I love my beach hut — a brilliant spot for lunch — and the wonderful lawn tennis courts at my local club. If the sun is shining, I'll get a Frin-tan. Why go abroad?

I should make as much use of the house as possible. It costs a fortune to run and now the pool is on, energy bills are burning through my cash as fast as the muntjacs eat my roses. Staying there, I won't have the expense of dog kennels nor suffer airport queues or be squeezed into an airline seat eating food I'd normally turn my nose up at. On my last flight, the best thing on the menu was a Marks and Spencer sarnie and a bag of M&Ms.

Room with a view: The Hotel Cipriani, Venice

Nowadays, researching holidays online unleashes spam hell. Type "holiday", "flight", "hotel" or any holiday destination into your search engine and prepare to be inundated with targeted advertisements by operators. But images of five-star hotels with pools, sumptuous loungers, endless cocktails and delicious chefery are rarely matched by reality.

Years ago, when I didn't own a second home, holidays were the escape. Working for an investment bank, it was important to fly as far away as possible from the office. Not to show off but to be unreachable for whatever catastrophe a jealous colleague manufactured to see if they could drag you back from your travels.

These days, communications make contact easy. One can work from pretty much anywhere if there's WiFi. Anyway, I'm freelance. Holidays mean money lost, not freedom gained. And recently that means even more money — whether it's food, liquid refreshment or the power to get us to where we want to be.

Forget the Covid era holiday bargains. Air travel was up 44.1 per cent in the year to December 2022 before easing this year, the Office for National Statistics found. High season holiday prices were up 51 per cent on average, according to consumer group Which? International travel is back. Problem is, no one told the bank account.

When it comes to holidays, other than the occasional Club Med break, I'm looking for luxury. Following my grandfather's advice, I want the hotel to be nicer than my home. The service must be exemplary and the culinary experiences should be beyond anything I could find around the corner. I'm not interested in slumming it for "the experience".

So given the cash crunch and sheer expense, why did I buckle last week and go full tilt in booking an expensive getaway? And with my mother? I'm 53 and surely over the need for a family holiday.

Over lunch we'd concocted a plan to revisit Venice, her favourite destination. There's only one place to stay if you're planning a trip: Hotel Cipriani. It's more money per night than many package holidays are for a week, with room rates in June starting at around €1,700 a night.

That's not the point, though. This place is luxury personified. It's not the smartest hotel I've visited. But it's about coming back to a place that holds special memories.

Some may argue that a Bellini at €29 a pop is pushing it. You could go for a glass of Ruinart for €50 instead — or blow the budget and buy a bottle for a cool €200. But it's the location and ambience you're paying for.

If I'm going to take time off work and forgo the income, I don't want to live like a student just to save cash. I've already convinced myself I'm economising by opting for a four-night stay. Anyway, I need to buy new shoes, and, following Brexit, I can buy them in Venice and claim back the VAT.

Fly off-season, you can grab an easyJet flight for £30-£40 each way. High season, it's more expensive. On the face of it, BA looks pricier at a couple of hundred quid. But by the time you've realised you might want to take luggage, it's not financially damaging. Booking with my Amex Centurion credit card means they provide "free" airport transfers. And if you travel midweek, the costs are lower.

The hotel will have you howling in financial agony. Again, I got Amex to make the booking. There's no saving, but you'll receive a daily room credit, enough for a few glasses of fizz, a "free" room upgrade and a late checkout.

There is another reason for this pilgrimage. We're all getting older, and it could be the last time we're able to go together. Time spent together making memories is priceless.

James Max is a broadcaster on TV and radio and a property expert. The views expressed are personal. Twitter: @thejamesmax

Investors' Chronicle

Highlights from this week's issue

Real estate

BUY

Big Yellow (BYG)

The self-storage operator has posted strong results, but its value has not been recognised by the market

It is a sign of the strength of Big Yellow's margins that, despite taking a £29.9mn valuation hit, the self-storage landlord and operator was still able to post £75.3mn in pre-tax profit from £189mn in revenue in its results for the year to March 31.

Other real estate investment trusts (Reits) have not been so lucky. The "mini" Budget-driven interest rate spike reduced buyers' budgets overnight and led to a bruising revaluation for Reits across the board. Most have posted pre-tax losses in the months since, but not Big Yellow.

The pre-tax figure is heavily down on last year due to the revaluation, but future earnings potential looks good. Operating profit before value changes was up 12.6 per cent due to a 9 per cent bump in net rent per square foot. Even as Big Yellow expands its portfolio, there is an increase in demand for its services which it can use to drive up rents.

Meanwhile, the increased efficiency from having a larger portfolio means it has been able steadily to increase its operating margin from an already high 60.3 per cent in full-year 2021 to 63.6 per cent in this year's results. Such high margins will hit a ceiling eventually but, for now, shareholders are benefiting from dividends increasing by a further 8 per cent.

Such performance from Big Yellow is not new, but in the past shareholders typically had to pay a large premium to net asset value (NAV) for this stock. Now, however, the wider misfortunes of the property sector mean that investors can buy into Big Yellow at a marginal discount to NAV. For that reason and others, we reiterate our call. *Mitchell Labiak*

Utilities

HOLD

Severn Trent (SVT)

An inflation-linked dividend is an appealing feature for the water company amid negative headlines for the sector

Severn Trent, along with the rest of the privatised utilities, has long been cast in the role of "vital, but unloved" for investors who look to the company for its gold-plated, inflation-linked dividends, and campaigners, consumers and politicians who line up to give water utility companies a good kicking.

Much of the past two years has seen the industry headlines dominated by the dumping of raw sewage — a topic Severn Trent did well to mention only three times in its recent results statement. Still, a private member's bill in parliament that would impose mandatory targets for sewage dumping suggests a darkening of the political mood. To be fair to Severn Trent, the company does not appear to be the worst offender when it comes to unwanted effusions, but the situation underlines how another round of major capital investment by the water industry looks certain.

This had already crept up, with cash capex in these results nearly £100mn higher at £687mn, which was still below the company's operational cash flow of £713mn.

Meanwhile, operating profits at Severn's core water business were lower at £468mn, offset by a strong performance at business services, where profits were more than 30 per cent higher at £49.2mn.

Overall, you cannot argue with the dividend, but on a price/earnings ratio of 32 times consensus forecasts for next year, the business looks fully valued by inflation chasers bidding up the shares.
Julian Hofmann

General retailers

HOLD

Victorian Plumbing (VIC)

The bathroom products retailer is growing. But not fast enough to justify its price just yet

Victorian Plumbing more than doubled its pre-tax profits for the six months to March 31. This sounds impressive, but there is a caveat.

The increase of £2.9mn is not insignificant, but it needs to be seen in context, specifically with reference to the anaemic pre-tax margin of 3.81 per cent.

To a certain extent, the bathroom product retailer's tight margins are to be expected. The company only listed in 2021 and so it is in growth mode, which means costs are going up.

As it scales up, investors would expect that margin to increase. So far, however, the opposite has happened. Its pre-tax margin has shrunk from 11.4 per cent in its results for full-year 2020 to 4.38 per cent in last year's preliminary figures. Its most recent results continue the trend.

The company pins some of this on inflation. It said staffing costs were up 18 per cent which it said was "slightly higher than anticipated owing to continuing inflationary pressures, and our commitment to attracting and retaining talent".

Meanwhile, it says that its 61 per cent increase in property costs was from "increasing its warehouse capacity on a more expensive short-term basis to support the growth of the business".

To its credit, the company remains in a net cash position and has no bank borrowings whatsoever, which is a big plus in an era of relatively high interest rates. Still, at a price of 20 times earnings, the pace of growth for this company and its decreasing margin do not yet warrant a rating upgrade. We stick with our neutral position. *ML*

DIRECTORS' DEALS

	Director	Date	Price (p)	Aggregate Value (£)
BUY				
Carr's	Tim Jones (ch)	15 May 23	135	200,087
CLS	Anna Seeley*	16 May 23	133	1,337,503
Experian	Jonathan Howell	15 May 23	2661	133,026
Experian	Alison Brittain*	18 May 23	2,795	139,735
Future	Jon Steinberg (ce)	18 May 23	886	802,948
IQE	Americo Lemos (ce)**	18 May 23	20	1,500,000
IQE	Dr Andrew Nelson**	18 May 23	20	1,000,000
Lords	Shanker Patel (ce)*	18 May 23	65	350,000
Lords	Andrew Harrison*	18 May 23	65	150,001
Luceco	James Hall	12-15 May 23	110	99,689
Luceco	Wayne Hill	17 May 23	114	114,000
Melrose Industries	David Lis	18 May 23	483	96,661
Prudential	Anil Wadhwani (ce)	12 May 23	1,183†	111,254†
Superdry	Julian Dunkerton (ce)	17 May 23	79	734,600
SELL				
Auction Technology	Tom Hargreaves (cfo)	18 May 23	689	1,634,224
Coca-Cola Europacific Partners	Stephen Moorhouse	16 May 23	5,333†	533,346
Georgia Capital	Giorgi Alpaidze (cfo)	17-19 May 23	837	418,623
S4 Capital	Christopher Martin (coo)	12 May 23	134	2,797,063

* Spouse/family/close associate ** Placing/open offer † Converted from €/$/HK$
Source: Investors' Chronicle

The chief operating officer of **S4 Capital** has sold almost a quarter of his stake in the advertising group "to cover tax, estate and personal financial obligations". Christopher Martin disposed of over 2mn shares on May 12 for a total of £2.8mn. He now owns 6.5mn shares, representing about 1.13 per cent of the issued share capital.

S4 Capital's share price is down by 55 per cent year-on-year and is 85 per cent lower than the highs seen in September 2021.

Investors started to get anxious early last year, when the group twice delayed publication of its 2021 results. Nerves were settled when the figures eventually emerged last May. Its 2022 annual report was published this spring on time.

However, the report was preceded by a profit warning and revealed a statutory operating loss of £135mn. Acquisitions were partly to blame, and staff costs were high too, following a hiring spree.
Jemma Slingo, Investors' Chronicle

DATABANK

SAVINGS

	Account	Notice	Deposit	AER%	Int paid
NO NOTICE up to £100					
Principality BS principality.co.uk	Online Double Access (Issue 2)	None	£1	3.66%	Yly
Chip via app	Instant Access powered by ClearBank	None	£1	3.82%	Mly
Yorkshire Building Society ybs.co.uk	Online Rainy Day Account Issue 2	None	£1	3.85%	Yly
NO NOTICE £5,000					
Shawbrook Bank shawbrook.co.uk	Easy Access Issue 35	None	£1,000	3.75%	Yly
Chip via app	Instant Access powered by ClearBank	None	£1	3.82%	Mly
Hanley Economic BS via branch	Branch Saver Account	None	£1,000	4.25%	Yly
NO NOTICE £10,000					
Shawbrook Bank shawbrook.co.uk	Easy Access Issue 35	None	£1,000	3.75%	Yly
Chip via app	Instant Access powered by ClearBank	None	£1	3.82%	Mly
Hanley Economic BS via branch	Branch Saver Account	None	£1,000	4.25%	Yly
NO NOTICE £50,000					
Shawbrook Bank shawbrook.co.uk	Easy Access Issue 35	None	£1,000	3.75%	Yly
Chip via app	Instant Access powered by ClearBank	None	£1	3.82%	Mly
Hanley Economic BS via branch	Branch Saver Account	None	£1,000	4.25%	Yly
NO NOTICE £100,000					
Charter Savings Bank chartersavingsbank.co.uk	Easy Access - Issue 38	None	£5,000	3.68%	Yly
Chorley Building Society chorleybs.co.uk	Easy Access Saver (2 Withdrawals)	None	£500	3.70%	Yly
Chip via app	Instant Access powered by ClearBank	None	£1	3.82%	Mly
UP TO 90 DAYS NOTICE £1,000					
StreamBank streambank.co.uk	90 Day Notice Account - Issue 2	90 Day	£1,000	4.00%	Mly
Oxbury Bank oxbury.com	Personal 90 Day Notice - Issue 6	90 Day	£1,000	4.01%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£100	4.25%	Yly
UP TO 90 DAYS NOTICE £5,000					
Oxbury Bank oxbury.com	Personal 90 Day Notice - Issue 6	90 Day	£1,000	4.01%	Mly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£100	4.25%	Yly
UP TO 90 DAYS NOTICE £10,000					
BLME blme.com A	90 Day Notice Account (Issue 5)	90 Day	£10,000	4.11%	Qly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£100	4.25%	Yly
UP TO 90 DAYS NOTICE £50,000					
BLME blme.com A	90 Day Notice Account (Issue 5)	90 Day	£10,000	4.11%	Qly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£100	4.25%	Yly
UP TO 90 DAYS NOTICE £100,000					
BLME blme.com A	90 Day Notice Account (Issue 5)	90 Day	£10,000	4.11%	Qly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£100	4.25%	Yly
MONTHLY INTEREST UP TO £5,000					
OakNorth Bank oaknorth.co.uk	Notice Savings Account	90 Day	£1	3.95%	Mly
StreamBank streambank.co.uk	90 Day Notice Account - Issue 2	90 Day	£1,000	4.00%	Mly
Oxbury Bank oxbury.com	Personal 90 Day Notice - Issue 6	90 Day	£1,000	4.01%	Mly
MONTHLY INTEREST £5,000					
Oxbury Bank oxbury.com	Personal 90 Day Notice - Issue 6	90 Day	£1,000	4.01%	Mly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£5,000	4.25%	Mly
MONTHLY INTEREST £10,000					
Oxbury Bank oxbury.com	Personal 90 Day Notice - Issue 6	90 Day	£1,000	4.01%	Mly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£5,000	4.25%	Mly
MONTHLY INTEREST £50,000					
Oxbury Bank oxbury.com	Personal 90 Day Notice - Issue 6	90 Day	£1,000	4.01%	Mly
Investec Bank plc investec.com	90-Day Notice Saver	90 Day	£5,000	4.25%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (May23)	90 Day	£5,000	4.25%	Mly
OFFSHORE ACCOUNTS £10,000					
Standard Bank International standardbank.com	Offshore Reserve Savings Account	None	£3,000	2.25%	½ Yly
NatWest International natwestinternational.com	Premium Saver Account	None	£1	2.27%	Mly
Standard Bank International standardbank.com	International Saver 35 Account	35 Day	£10,000	3.30%	Yly
ACCOUNTS WITH INTRODUCTORY BONUS					
AA theaa.com	Easy Saver - Issue 24	None	£100	2.05%	Yly
TSB tsb.co.uk	Savings Pot	None	£1	2.52%	Mly
Post Office Money® via branch	Instant Saver (Issue 25)	None	£100	2.65%	Yly
Mansfield BS via post	Postal Savings Notice (2nd Issue)	35 Day	£1,000	3.00%	Yly
Mansfield BS via post	Postal Savings Notice (6th Issue)	90 Day	£1,000	3.35%	Yly
Tesco Bank tescobank.com	Internet Saver	None	£1	3.45%	Yly
Post Office Money® postoffice.co.uk	Online Saver Issue 64	None	£1	3.47%	Yly

A - Provider operates under Islamic finance principles, rate shown is expected profit rate. B - Introductory rate for a limited period.
All rates shown as AER variable unless otherwise stated. Methods of opening and operating accounts will vary.
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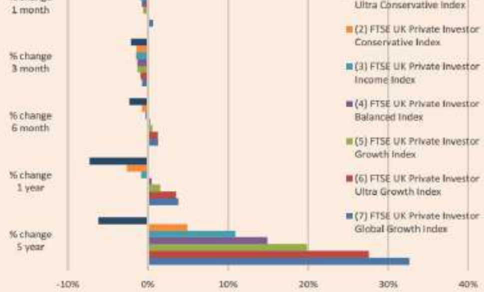
Figures compiled on 25 May
Source: Moneyfacts.co.uk - Helping you make better financial decisions

FTSE Private Investor Index Series

	25 May	% change 1 mth	3 mth	1 yr	5 yrs
(1) FTSE UK Private Investor Ultra Conservative Index	1036.79	-2.22	-2.11	-7.28	6.17
(2) FTSE UK Private Investor Conservative Index	1334.98	-1.31	-1.36	-2.58	4.93
(3) FTSE UK Private Investor Income Index	3432.84	-1.04	-1.41	-0.87	10.88
(4) FTSE UK Private Investor Balanced Index	4900.74	-0.75	-1.26	0.46	14.96
(5) FTSE UK Private Investor Growth Index	6085.16	-0.56	-1.24	1.55	19.85
(6) FTSE UK Private Investor Ultra Growth Index	7210.43	0.04	-0.92	3.49	27.57
(7) FTSE UK Private Investor Global Growth Index	2243.20	0.68	-0.72	3.81	32.62
(8) FTSE All-Share Index	4128.33	-3.88	-3.98	-0.45	-2.98
(9) FTSE All-World Ex UK Index	537.56	1.05	-0.17	4.56	37.96

Numbers next to index name relate to chart below. Chart shows movements of private investor indices (rebased to 5 years ago = 100)



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ISA RATES

	Account	Notice	Deposit	Transfer In	AER%	Int paid
Cash ISAs						
Cynergy Bank cynergybank.co.uk	Online ISA (Issue 37)	None	£1	Yes	3.62%	Yly
Skipton BS skipton.co.uk	60 Day Notice Cash ISA Issue 1	60 Day	£1	Yes	3.65%	Yly
Teachers BS teachersbuildingsociety.co.uk	Cash ISA Notice 120 (Issue 1)	120 Day	£1,000	Yes	3.75%	Yly
Marsden BS via branch	Branch Cash ISA 180 (Issue 1)	180 Day	£1,000	Yes	4.00%	Yly
Fixed-Rate Cash ISAs						
NatWest natwest.com	Fixed Rate ISA Issue 322	10.7.24	£1,000	Yes	4.40%	Yly
Paragon Bank paragonbank.co.uk	1 Year Fixed Rate Cash ISA	1 Year	£500	Yes	4.40%	Yly
Charter Savings Bank chartersavingsbank.co.uk	1 Year Fixed Rate Cash ISA	1 Year	£5,000	Yes	4.41%	Yly
Shawbrook Bank shawbrook.co.uk	Fixed Rate ISA Bond Issue 73	1 Year	£1,000	Yes	4.43%	Yly

A = Introductory rate for a limited period. B = Provider operates under islamic finance principles, rate shown is expected profit rate.
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Figures compiled on 25 May
Source: Moneyfacts.co.uk - Helping you make better financial decisions

RETIREMENT INCOME SNAPSHOT

	Ranking	Income pa
Aged 55 single life		
Scottish Widows	1	5924.16
Just	2	5777.88
Legal & General	3	5580.12
Aviva	4	5476.44
Movement since 17/05/2023		0.00%
Aged 60 single life		
Scottish Widows	1	6173.28
Just	2	6083.04
Legal & General	3	6073.80
Aviva	4	5998.20
Movement since 17/05/2023		0.00%
Aged 65 single life		
Scottish Widows	1	7021.68
Just	2	6763.80
Aviva	3	6705.84
Legal & General	4	6607.56
Movement since 17/05/2023		0.00%
Male 60 / Wife 57 joint life		
Scottish Widows	1	5860.08
Just	2	5750.04
Legal & General	3	5577.48
Canada Life	4	5568.36
Movement since 17/05/2023		0.00%
Male 65 / Wife 62 joint life		
Scottish Widows	1	6449.16
Just	2	6251.88
Canada Life	3	6156.96
Aviva	4	6066.60
Movement since 17/05/2023		0.00%

All payments are monthly in arrears, without a guarantee period and without escalation, with a spouse's benefit of 50% where applicable. Gender neutral rates. Figures assume an annuity purchase price of £100,000 and are shown gross. LS1 Postcode. A company appearing top for one set of benefits or age may be poor for a different set of benefits (for example, an index-linked annuity) or a different age. It is therefore imperative that you shop around for an annuity suited to your own circumstances. The tables do not include enhanced annuity rates for smokers or those in ill-health, nor for companies that provide annuities only for a specific group of retirees. The lower-paying providers have not been shown. The ranking column shows the position of the provider in relation to the top-paying annuity provider.
Figures supplied by JLT Pension Decision. A trading name of JLT Wealth Management Limited. The St Botolph Building, 138 Houndsditch, London EC3A 7AW
www.jltemployeebenefits.com/what-we-do/wealth-management
An annuity provides a guaranteed income for life in return for a lump sum investment. The bulk of the fund built up by many types of pension plans are used in this way. Annuity income is fully taxable. This week's table shows the best rate for PERSONAL PENSION ANNUITIES which are used for personal pension plans and retirement annuity contracts. The rates in the chart do not include inflation proofing. The movement shown is in the rate of the leading provider.

Data compiled on 24 May

OUR DATA

If you have any queries regarding the data provided please email databank@ft.com

MORTGAGE RATES

	Rate	Max LTV	Fee	ERC period
Short Term Fixed Rates				
first direct 0800 482448	4.39% for 2 years	60%	£490	1st 2 yrs
first direct 0800 482448	4.44% for 2 years	75%	£490	1st 2 yrs
HSBC 0808 256 6876	4.39% to 31.8.26	75%	£999	To 31.8.26
HSBC 0808 256 6876	4.79% to 31.8.26	90%	£999	To 31.8.26
Longer Term Fixed Rates				
first direct 0800 482448	4.03% for 5 years	60%	£490	1st 5 yrs
first direct 0800 482448	4.44% for 5 years	90%	£490	1st 5 yrs
first direct 0800 482448	4.04% for 10 years	60%	£490	1st 10 yrs
first direct 0800 482448	4.09% for 10 years	75%	£490	1st 10 yrs
Remortgages				
first direct 0800 482448	4.39%F for 2 years	60%	£490	1st 2 yrs
first direct 0800 482448	4.44%F for 2 years	75%	£490	1st 2 yrs
first direct 0800 482448	4.09%F for 5 years	75%	£490	1st 5 yrs
first direct 0800 482448	4.29%F for 5 years	85%	£490	1st 5 yrs
First Time Buyers (variable unless shown)				
Leeds BS 0345 045 4049	5.29%F to 30.9.25	95%	£999	To 30.9.25
Coventry BS 0800 121 8899	5.61%F to 31.10.25	95%	-	To 31.10.25
Hanley Economic BS 01782 255000	4.89%F to 31.7.28	95%	-	To 31.7.28
Cumberland BS 01228 403141	4.93%F to 1.7.28	95%	-	To 1.7.28
Discounted Variable Rates				
Leek Building Society 0800 169 6680	4.35% for 2 years	80%	£995	1st 2 yrs
Principality BS 0330 333 4002	4.80% to 31.8.25	85%	-	To 31.8.25
Newbury BS 01635 555777	4.24% for 3 years	75%	£600	1st 3 yrs
Tipton & Coseley BS 0800 833853	4.74% to 31.7.26	90%	£999	To 31.7.26
Flexible Variable Rates				
Barclays BS 0333 202 7580	4.65% for 2 years	60%	£999	None
Leeds BS 0345 045 4049	4.80% to 31.8.25	75%	£999	None
The Co-operative Bank 08000 288 288	5.64% for 2 years	90%	-	1st 2 yrs
first direct 0800 482448	6.44% for term	75%	£490	None
Buy-to-Let Variable Rates				
Principality BS 0330 333 4002	4.55%D to 31.8.25	60%	-	To 31.8.25
Loughborough BS 01509 631950	4.89%D for 2 years	80%	-	1st 2 yrs
Leeds BS 0345 045 4049	5.40%V to 30.9.25	75%	£999	None
Buy-to-Let Fixed Rates				
NatWest 0800 587 6599	4.81% to 30.9.25	75%	£995	To 30.9.25
Principality BS	4.28% to 31.8.28	60%	£1,395	To 31.8.28
HSBC 0808 256 6876	4.41% to 31.8.28	75%	£1,999	To 31.8.28

D = Discounted rate. F = Fixed rate. V = Variable rate.
Terms and conditions may apply when you repay your mortgage.
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Figures compiled on 25 May
Source: Moneyfacts.co.uk - Helping you make better financial decisions

PERMANENT INTEREST BEARING SHARES

PIBs & Former PIBs	Coupon (Gross) %	Issue price (p)	Minimum (£)	Price (p)	Yield (gross %)	Yield (if called)
Bank of Ireland 13 3/8% Perp. Sub Bonds	13.375%	100	1000	177	7.56	-
Cheltenham & Gloucester 11 3/4% Perp. Bonds	11.750%	100	50000	215	5.47	-
Co-operative Group 11% Final Repayment Notes 20/12/2025	11.000%	100	1 share	108.25	10.16	7.25
Co-operative Group Instalment Repayment Notes (8p) 20/12/2025	12.125%	12	1 share	2.75	43.41	5.77
Coventry 12 1/8% PIBS	12.125%	100	1000	158	7.67	-
Halifax 8 3/4% Perp. Sub Bonds (call 14/9/2023 @ 100p)	8.750%	100	50000	120	7.29	-45.38
Halifax 9 3/8% Perp. Sub Bonds	9.375%	100	1000	155.5	6.03	-
Halifax 13 5/8% Perp. Sub Bonds	13.625%	100	1000	220	6.19	-
Leeds 13 3/8% PIBS	13.375%	100	1000	180	7.43	-
Manchester 6 3/4% PIBS (call 13/4/2030 @ 100p)	6.750%	100	1000	101	6.68	6.32
Manchester 8% PIBS	8.000%	100	250 shares+1	111	7.21	-
Nationwide CCDS (paying 10.25% coupon)	10.250%	100	1000	126	8.13	-
Nationwide floating rate PIBS (pays 6 month LIBOR + 2.4%)	6.250%	100	1000	104.5	6.84	-
Nationwide 6 1/4% PIBS (call 22/10/2024 @ 100p)	6.250%	100	100000	101.5	6.16	5.07
Nationwide 7.859% PIBS Receipts (call 13/3/2030 @ 100p)	7.859%	100	1000	135	5.82	2.26
Newcastle 10 3/4% PIBS	10.750%	100	1000	151	7.12	-
Newcastle 12 5/8% PIBS	12.625%	100	5000	175.5	7.19	-
Nottingham 7 7/8% PIBS	7.875%	100	1000	104	7.57	-
OneSavings Bank Floating Rate Sub (reset/call 27/8/2024)	8.500%	100	2500	96	4.79	7.98
Skipton 8 1/2% PIBS	8.500%	100	1000	119	7.14	-
Skipton 12 7/8% PIBS	12.875%	100	1000	165	7.80	-
Ulster Bank 11 3/4% Sub Bonds	11.750%	100	500 shares+1	167	6.97	-
West Bromwich CCDS	0.000%	100	1000	41	10.98	-
West Bromwich 6.15% PIBS (call 5/4/2021 @ 100p)	6.150%	100	1+100 shares	65	2.28	0.00
West Bromwich 11% Sub (call 12/4/2038 @ 100p)	11.000%	100	500 shares	123	8.94	8.09

New text: A = Floating rate (3 month LIBOR + 1.05%). N = The next interest payment is not expected to be made. X = Pays the lower of 6.15% and the coupon rate attributable to the Profit Participating Deferred Shares (PDDs). Y = Callable on any interest payment date.
Data compiled on 25 May
Source: CANACCORD Genuity

DATABANK

ORDER BOOK FOR RETAIL BOND

TIDM	Name	Coupon	Mat Date	Price	Wk Chng	Yield	Gross RedYld	Period
A2D2	A2Dominion	4.5%	30/09/26	99.625	-0.13	4.52	4.63	6 mth
40LV	Anglian Water Services	6.875%	21/08/23	100.875	-0.70	6.82	3.18	12 mth
AE57	Aviva	6.125%	14/01/36	98.850	-2.18	6.20	6.29	12 mth
AA18	Barclays Bank	5.75%	14/09/26	99.200	-1.90	5.80	6.04	12 mth
72NS	British Telecomm	5.75%	17/12/28	99.700	-2.75	5.77	5.82	12 mth
AG99	GlaxoSmithKline	5.25%	19/12/33	100.825	-4.72	5.21	5.13	6 mth
72VH	Hammerson	6%	23/02/26	92.500	-0.08	6.49	9.43	6 mth
35LS	HSBC Bank	5.375%	22/08/33	98.950	-1.95	5.43	5.54	6 mth
BR06	HSBC Bank	6.5%	07/07/23	100.225	-0.58	6.49	4.53	6 mth
17JI	Nestle Finance International	2.25%	30/11/23	99.100	0.25	2.27	4.03	6 mth
41NW	Severn Trent	6.25%	07/06/29	101.825	-6.45	6.14	5.84	6 mth
V032	Vodafone	5.9%	26/11/32	100.950	-4.02	5.84	5.75	12 mth

Data compiled on 25 May
Source: Morningstar

DIVIDENDS DECLARED

Company	Type	Amount	Pay date
Amur Minerals Corp		0.018	14-Jun
Analog Devices Inc		0.860	14-Jun
AvalonBay Communities Inc		1.650	17-Jul
Bank of Montreal		1.470	28-Aug
Bank of Nova Scotia		1.060	27-Jul
BlackRock Inc		5.000	23-Jun
BW Offshore Ltd		0.382	06-Jun
Camping World Holdings Inc Class A		0.625	29-Jun
Empiric Student Property PLC		0.008	23-Jun
Enwell Energy PLC		0.150	15-Jun
Great Portland Estates PLC		0.079	10-Jul
Helical PLC		0.087	28-Jul
LondonMetric Property PLC		0.026	12-Jul
Panoro Energy ASA		0.266	12-Jun
Quanta Services Inc		0.080	14-Jul
R E A Holdings PLC Pref Share		0.045	30-Jun
Severn Trent PLC		0.641	14-Jul
SSE PLC		0.677	21-Sep
Topps Tiles PLC		0.012	14-Jul
Ypsomed Holding AG		0.650	04-Jul

Data compiled on 25 May
Source: Morningstar

RESULTS DUE

Company	Type	Date

Data compiled on 25 May
Source: Morningstar

INVESTMENT TRUST DATA

Company	NAV	EPS	DPS
abrdn Property Income Trust Ord	1.38	42.00	0.02
Albion Development VCT Ord	0.77	1.00	0.00
Balanced Commercial Property Ord	1.42	16.00	0.01
Bankers Ord	10.14	-14.00	0.12
BlackRock World Mining Trust Ord	2.19	6.00	0.02
City of London Ord	0.68	14.00	0.02
Custodian Property Income REIT Ord	6.79	0.00	0.04
Diverse Income Trust Ord	2.71	55.00	0.03
Dunedin Income Growth Ord	1.30	-10.00	0.00
Ecofin Global Utilities & Infra Ord	1.13	1.00	0.02
Ediston Property Investment Company	3.32	1.00	0.02
EJF Investments Ord	0.71	6.00	0.01
Foresight Solar Ord	1.55	3.00	0.01
Global Opportunities Trust Ord	3.67	5.00	0.08
Henderson International Income Ord	0.90	5.00	0.00
JPMorgan American Ord	1.49	4.00	0.01
JPMorgan China Growth & Income Ord	1.77	20.00	0.01
JPMorgan Global Core Real Assets Ord	3.60	9.00	0.02
Pembroke VCT B	1.76	19.00	0.03
UK Commercial Property REIT Ord	1.15	2.00	0.02

Data compiled on 25 May
Source: Morningstar

Data provided by Morningstar

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MANAGED FUNDS SERVICE

Guide to data

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Guide to pricing of Authorised Investment Funds (compiled with the assistance of the IMA. The Investment Management Association, 65 Kingsway, London WC2B 6TD. Tel: +44 (0)20 7831 0898.)

OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Share Classes: Separate classes of share are denoted by a letter or number after the name of the fund. Different classes are issued to reflect a different currency, charging structure or type of holder.

Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.

Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.

The symbols are as follows: ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

The managers/operators must deal at a forward price on request, and may move to forward pricing at any time.

Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators.

Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators.

* Indicates funds which do not price on Fridays.

Charges for this advertising service are based on the number of lines published and the classification of the fund.

Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

abrdn Capital (CI) Limited (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
abrdn Capital Offshore Strategy Fund Limited				
Bridge Fund	£2.1817	-	0.0042	2.11
Global Equity Fund	£3.3584	-	0.0155	1.38
Global Fixed Interest Fund	£0.7332	-	-0.0010	6.45
Income Fund	£0.6271	-	0.0016	3.15
Sterling Fixed Interest Fund	£0.8554	-	-0.0008	4.59
UK Equity Fund	£1.9056	-	-0.0048	3.70

Algebris Investments (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Algebris Financial Credit I EUR	€ 172.33	-	-0.01	0.00
Algebris Financial Credit R EUR	€ 147.78	-	-0.01	0.00
Algebris Financial Credit Rd EUR	€ 87.78	-	-0.01	6.13
Algebris Financial Income I EUR	€ 178.73	-	0.14	-
Algebris Financial Income R EUR	€ 161.95	-	0.13	-
Algebris Financial Income Rd EUR	€ 96.99	-	0.08	-
Algebris Financial Equity B EUR	€ 164.28	-	0.00	0.00
Algebris Financial Equity R EUR	€ 137.51	-	0.00	0.00
Algebris IG Financial Credit I EUR	€ 96.39	-	-0.78	0.00
Algebris IG Financial Credit R EUR	€ 94.68	-	-0.77	0.00
Algebris Global Credit Opportunities I EUR	€ 126.93	-	0.06	0.00
Algebris Global Credit Opportunities R EUR	€ 123.56	-	0.05	0.00
Algebris Global Credit Opportunities Rd EUR	€ 106.67	-	0.05	2.65
Algebris Core Italy I EUR	€ 146.56	-	-0.27	0.00
Algebris Core Italy R EUR	€ 138.64	-	-0.25	0.00
Algebris Sust. World B	€ 104.55	-	0.58	-
Algebris Sust. World R	€ 103.75	-	0.57	-

The Antares European Fund Limited
Other International

Fund	Bid	Offer	D+/-	Yield
AEF Ltd Usd	$559.32	-	-3.66	0.00
AEF Ltd Eur	€511.70	-	-3.53	0.00

Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Artemis SmartGARP UK Eq I Acc	2302.67	-	-11.35	4.06
Artemis Corporate Bond I Acc	95.79	-	-0.05	3.61
Artemis SmartGARP Eur Eq I Acc	443.93	-	-0.17	-
Artemis European Opps I Acc	129.23	-	0.47	-
Artemis SmartGARP GloEmr Eq I Acc	168.16	-	0.22	-
Artemis SmartGARP Glo Eq I Acc	373.39	-	-0.69	-
Artemis Global Income I Inc	103.98	-	-0.56	4.50
Artemis Global Select I Acc	164.17	-	0.76	0.55
Artemis High Income I Q Inc	68.10	-	-0.12	-
Artemis Income I Inc	246.30	-	-0.61	3.86
Artemis Monthly Dist I Inc	67.46	-	-0.32	4.70
Artemis Positive Future Fund	68.44	-	0.25	-
Artemis Strategic Assets I Acc	100.53	-	-0.25	-
Artemis Strategic Bond I Q Acc	100.20	-	-0.17	4.18
Artemis Target Return Bond I Acc	106.23	-	0.31	3.77
Artemis UK Select Fund Class I Acc	800.23	-	-3.41	-
Artemis UK Smaller Cos I Acc	1983.80	-	-11.44	-
Artemis UK Special Sits I Acc	779.98	-	-2.82	-
Artemis US Abs Return I Hdg Acc	113.62	-	-0.13	0.24
Artemis US Extended Alpha I Acc	337.02	-	2.06	-
Artemis US Select I Acc	298.06	-	1.92	-
Artemis US Smlr Cos I Acc	286.19	-	-2.34	0.00

Ashmore Group
61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Emerging Markets Equity Fund	$ 118.15	-	0.53	0.00
Emerging Markets Equity ESG Fund	$ 137.42	-	0.89	0.00
Emerging Markets Frontier Equity Fund	$ 175.36	-	-0.35	1.01
Emerging Markets Blended Debt Fund	$ 51.82	-	-0.20	4.97
Emerging Markets Blended Debt ESG Fund	$ 85.83	-	-0.25	0.00
Emerging Markets Active Equity Fund	$ 117.19	-	-0.37	0.00
Emerging Markets Corporate Debt Fund	$ 58.04	-	-0.14	7.62
Emerging Markets Debt Fund	$ 56.03	-	-0.08	5.94
Emerging Markets Local Currency Bond Fund	$ 62.56	-	-0.35	4.29

Atlantas Sicav (LUX)
Regulated

Fund	Bid	Offer	D+/-	Yield
American Dynamic	$6856.91	-	88.22	0.00
American One	$7153.82	-	95.88	-
Bond Global	€1534.98	-	-2.39	0.00
Eurocroissance	€1416.86	-	16.07	0.00
Far East	$1022.58	-	-2.82	0.00

Blue Whale Investment Funds ICAV (IRE)
www.bluewhale.co.uk, info@bluewhale.co.uk
FCA Recognised - Ireland UCITS

Fund	Bid	Offer	D+/-	Yield
Blue Whale Growth USD T	$ 9.71	-	0.15	-

Brooks Macdonald International Fund Managers Limited (JER)
5 Anley Street, St Helier, Jersey, JE2 3QE
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Fund	Bid	Offer	D+/-	Yield
Brooks Macdonald International Investment Funds Limited				
Euro High Income	€ 1.2042	-	-0.0012	2.50
High Income	£ 0.6305	-	-0.0020	3.77
Sterling Bond	£ 1.2103	-	-0.0050	2.06
Brooks Macdonald International Multi Strategy Fund Limited				
Balanced Strategy A	£ 0.9263	-	-0.0010	0.57
Balanced Strategy	£ 0.9232	-	-0.0010	0.09
Cautious Balanced Strategy A	£ 0.8938	-	-0.0021	1.11
Growth Strategy A	£ 0.9360	-	-0.0003	0.49
High Growth Strategy A	£ 0.9341	-	0.0009	0.12
Cautious Balanced Strategy	£ 1.2470	-	-0.0030	0.00
Growth Strategy	£ 1.9540	-	-0.0007	0.00
High Growth Strategy	£ 2.7330	-	0.0027	0.00
US$ Growth Strategy	$ 1.7135	-	0.0047	0.00

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

Brown Advisory Funds plc (IRL)
http://www.brownadvisory.com Tel: 020 3301 8130
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
US Small Cap Blend Fund USD B	$ 20.75	-	-0.09	0.00
US Flexible Equity Fund USD B	$ 24.32	-	0.16	0.00
Global Leaders Fund USD C	$ 21.71	-	0.26	0.00
US Sustainable Growth Fund USD C	$ 24.86	-	0.66	0.00
Global Leaders Sustainable Fund USD C	$ 13.12	-	0.16	0.00
US Equity Growth Fund USD B	$ 48.79	-	0.74	0.00
US Smaller Companies Fund USD B	$ 34.26	-	-0.29	0.00
US Mid-Cap Growth Fund USD C	$ 16.76	-	0.01	0.00
Global Sustainable Total Return Bond GBP B	£ 9.39	-	-0.04	0.89

CG Asset Management Limited (IRL)
25 Moorgate, London, EC2R 6AY
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
CG Portfolio Fund Plc				
Absolute Return Cls M Inc	£133.26	133.88	-0.46	1.67
Capital Gearing Portfolio GBP P	£38824.29	38823.20	-134.22	1.09
Capital Gearing Portfolio GBP V	£178.12	179.10	-0.60	1.69
Dollar Fund Cls D Inc	£164.95	165.44	-0.87	1.24
Dollar Hedged GBP Inc	£ 93.83	94.11	-0.25	1.19
Real Return Cls A Inc	£197.15	197.74	-0.31	1.73

Candriam Investors Group (LUX)
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Candriam Eqts L Australia Cap	A$1906.62	-	3.10	0.00

Candriam Investors Group
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Candriam Eqts L Emerging Mkts Cap	€836.02	-	6.63	0.00
Candriam Bonds Credit Opportunities	€198.48	-	0.04	0.00
Candriam Bds Euro High Yield Cap	€1150.50	-	-0.57	0.00
Candriam Bds Euro Sh.Term Cap	€1986.56	-	-1.35	0.00

Cantab Asset Management Ltd (UK)
01223 522000
www.cantabam.com
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
VT Cantab Balanced A GBP Acc	£ 1.06	-	0.00	1.24
VT Cantab Moderate A GBP Acc	£ 1.08	-	0.00	1.48
VT Cantab Sustainable Gbl Eq A GBP Acc	£ 1.27	-	0.01	0.58

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
CAM-GTF VCC	$28080.6	28080.6	122.97	-
CAM GTi VCC	$780.49	-	-32.39	-
RAIC VCC	$ 1.64	1.64	0.03	2.06

Consistent Unit Tst Mgt Co Ltd (1200)F (UK)
Stuart House, St John's Street, Peterborough, PE1 5DD
Dealing & Client Services 0345 850 8818
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Consistent UT Inc	58.80	58.80	-0.35	1.05
Consistent UT Acc	159.70	159.70	-1.00	1.05
Practical Investment Inc	239.40	239.40	-1.00	3.82
Practical Investment Acc	1525.00	1525.00	-6.00	3.82

CP Global Asset Management Pte. Ltd.
www.cpglobal.com.sg, Email: customer_support@cpglobal.com.sg
International Mutual Funds

Fund	Bid	Offer	D+/-	Yield
CP Multi-Strategy Fund	$315.06	-	-0.37	-

CP Capital Asset Management Limited
www.cpgbl.com, email: fundservices@cpgbl.com
International Mutual Funds

Fund	Bid	Offer	D+/-	Yield
CPS Master Private Fund	$430.07	-	8.71	-
CP Global Alpha Fund	$353.16	-	8.12	-

DWS (LUX)
Tel: +44 (0) 20 7541 8999 www.dws.com
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
DWS Invest Top Dividend	£146.58	146.58	-1.23	3.15
DWS Invest Top Euroland	£159.87	159.87	0.27	-
DWS Invest Multi Opportunities	£117.04	117.04	-0.37	0.00
DWS Invest Global Bonds	£ 92.71	92.71	-0.11	0.00

Dodge & Cox Worldwide Funds (IRL)
48-49 Pall Mall, London SW1Y 5JG
www.dodgeandcox.worldwide.com 020 3713 7664
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 15.97	-	-0.02	0.00
EUR Accumulating Class (H)	€ 10.53	-	-0.03	0.00
EUR Distributing Class	€ 11.44	-	0.00	3.42
EUR Distributing Class (H)	€ 7.47	-	-0.03	3.39
GBP Distributing Class	£ 12.23	-	0.00	4.18
GBP Distributing Class (H)	£ 8.05	-	-0.03	3.47
USD Accumulating Class	$ 12.36	-	-0.04	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 29.32	-	-0.13	0.00
GBP Accumulating Share Class	£ 39.15	-	-0.05	0.00
GBP Distributing Share class	£ 26.28	-	-0.02	0.80
EUR Accumulating Share Class	€ 41.06	-	-0.08	0.00
GBP Distributing Class (H)	£ 13.49	-	-0.06	0.76
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 37.23	-	0.04	0.00
GBP Accumulating Share Class	£ 47.02	-	0.22	0.00
GBP Distributing Share Class	£ 29.11	-	0.12	0.17
EUR Accumulating Share Class	€ 45.03	-	0.17	0.00
GBP Distributing Class (H)	£ 14.67	-	0.01	0.36

MANAGED FUNDS SERVICE

DRAGON CAPITAL

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Vietnam Equity (UCITS) Fund A USD	$ 25.88	-	0.89	0.00

edentree investment management

EdenTree Investment Management Ltd (UK)
PO Box 3733, Swindon, SN4 4BG, 0800 358 3010

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
EdenTree UK Equity Cls A Inc	218.30	-	-0.80	1.53
EdenTree UK Equity Cls B Inc	217.90	-	-0.80	2.08
EdenTree Managed Income Cls A Inc	120.80	-	-0.70	4.87
EdenTree Managed Income Cls B Inc	129.20	-	-0.80	4.87
EdenTree UK Equity Opps Cls A Inc	268.60	-	-1.40	1.16
EdenTree UK Equity Opps Cls B Inc	274.50	-	-1.50	1.72
EdenTree Short Dated Bond Cls B	92.06	-	-0.06	1.63
Amity Balanced For Charities A Inc	98.13	-	-0.70	5.71
EdenTree European Equity Cls A Inc	322.00	-	-0.60	1.91
EdenTree European Equity Cls B Inc	326.40	-	-0.70	2.40
Amity Global Equity Inc for Charities A Inc	154.80	-	0.60	-
EdenTree Global Equity Cls A Inc	335.80	-	1.20	0.53
EdenTree Global Equity Cls B Inc	339.00	-	1.10	1.04
EdenTree Global Impact Bond B	84.54	-	-0.14	3.14
EdenTree Green Future B Net Inc	99.10	-	0.02	0.48
EdenTree Sterling Bond Cls A Inc	82.40	-	-0.08	4.13
EdenTree Sterling Bond Cls B Inc	93.20	-	-0.08	4.13

Euronova Asset Management UK LLP (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Smaller Cos Cls One Shares	€ 56.33	-	-0.01	0.00
Smaller Cos Cls Two Shares	£ 35.23	-	-0.02	0.00
Smaller Cos Cls Three Shares	€ 17.58	-	-0.01	0.00
Smaller Cos Cls Four Shares	£ 23.18	-	-0.01	0.00

Fidelity Investments International

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Emerging Mkts NAV	£ 7.21	-	-0.16	2.04

Fidelity INTERNATIONAL

FIL Investment Services (UK) Limited (1200)F (UK)
Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181

Fund	Bid	Offer	D+/-	Yield
OEIC Funds				
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.81	-	0.00	2.95
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.93	-	0.00	1.57
Allocator World Fund W-ACC-GBP	£ 2.65	-	0.00	-
American Fund W-ACC-GBP	£ 56.28	-	-0.01	-
American Special Sits W-ACC-GBP	£ 21.18	-	-0.29	-
Asia Pacific Ops W-Acc	£ 2.82	-	0.02	-
Asian Dividend Fund W-ACC-GBP	£ 2.26	-	0.01	3.03
China Consumer Fund W-ACC-GBP	£ 2.42	-	-0.01	-
Emerging Asia Fund W-ACC-GBP	£ 1.83	-	0.01	-
Enhanced Income Fund W-INC-GBP	£ 0.85	-	0.00	6.46
European Fund W-ACC-GBP	£ 25.41	-	0.10	1.46
Extra Income Fund W-ACC-GBP	£ 1.24	-	0.00	4.64
Asia Fund W-ACC-GBP	£ 14.98	-	0.10	-
Cash Fund W-ACC-GBP	£ 1.04	-	0.00	-
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-	0.01	4.74
Sustainable European Equity Fund W-ACC-GBP	£ 5.75	-	0.07	0.97
Sustainable Global Equity Fund W-ACC-GBP	£ 33.39	-	-0.05	0.42
Global High Yield Fund W-ACC-GBP	£ 13.68	-	-0.02	5.18
Japan Fund W-ACC-GBP	£ 5.94	-	0.03	-
Japan Smaller Companies Fund W-ACC-GBP	£ 3.60	-	0.01	0.85
Select 50 Balanced Fund PI-ACC-GBP	£ 1.14	-	0.00	-
Special Situations Fund W-ACC-GBP	£ 42.55	-	-0.50	3.26
Short Dated Corporate Bond Fund W-ACC-GBP	£ 10.51	-	-0.01	3.76
Sustainable Water & Waste W-ACC-GBP	£ 1.13	-	-0.01	0.54
UK Select Fund W-ACC-GBP	£ 3.66	-	-0.01	2.48
Global Dividend Fund W-ACC-GBP	£ 3.03	-	0.00	2.65
Global Enhanced Income W-ACC-GBP	£ 2.38	-	0.00	4.36
Global Property Fund W-ACC-GBP	£ 1.76	-	-0.01	2.05
Global Special Sits W-ACC-GBP	£ 55.12	-	0.04	-
Index Emerging Markets P-ACC-GBP	£ 1.64	-	0.00	2.99
Index Europe ex UK P-ACC-GBP	£ 2.00	-	0.00	-
Index Japan P-ACC-GBP	£ 1.98	-	0.01	-
Index Pacific ex Japan P-Acc-GBP	£ 1.84	-	0.00	-
Index UK Gilt Fund P-ACC-GBP	£ 0.71	-	0.00	2.02
Index UK P-ACC-GBP	£ 1.60	-	-0.01	-
Index US P-ACC-GBP	£ 3.51	-	-0.01	-
Index World P-ACC-GBP	£ 2.74	-	-0.01	1.70
MoneyBuilder Balanced Fund W-ACC-GBP	£ 0.59	-	0.00	3.18
MoneyBuilder Dividend Fund W-INC-GBP	£ 1.27	-	-0.01	4.06
Sustainable MoneyBuilder Income Fund W-ACC-GBP	£ 11.88	-	-0.01	-
Multi Asset Allocator Adventurous Fund W-ACC-GBP	£ 2.12	-	0.00	1.06
Multi Asset Allocator Defensive Fund W-ACC-GBP	£ 1.30	-	0.00	1.18
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.88	-	-0.01	1.68
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 0.95	-	0.00	1.43
Multi Asset Allocator Growth Fund W-ACC-GBP	£ 1.83	-	-0.01	1.03
Multi Asset Income Fund W-INC-GBP	£ 0.86	-	0.00	4.79
Multi Asset Allocator Strategic Fund W-ACC-GBP	£ 1.57	-	-0.01	-
Multi Asset Open Advent W-ACC-GBP	£ 1.74	-	-0.01	1.51
Multi Asset Open Defen W-ACC-GBP	£ 1.33	-	0.00	2.04
Multi Asset Open Growth Fund W-ACC-GBP	£ 1.65	-	0.00	1.69
Multi Asset Open Strategic Fund W-ACC-GBP	£ 1.50	-	0.00	1.89
Open World Fund W-ACC-GBP	£ 2.29	-	0.00	-
Strategic Bond Fund W-ACC-GBP	£ 1.17	-	0.00	3.46
UK Opportunities Fund W-ACC-GBP	242.40	-	-1.30	1.26
UK Smaller Companies W-ACC-GBP	£ 3.63	-	-0.02	-

Findlay Park

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
American EUR Unhedged Class	€ 155.84	-	1.56	0.00
American Fund USD Class	$ 167.02	-	1.15	-
American Fund GBP Hedged	£ 81.59	-	0.50	0.00
American Fund GBP Unhedged	£ 135.39	-	1.27	0.00

FOORD ASSET MANAGEMENT
www.foord.com

Foord Asset Management
Website: www.foord.com - Email: info@foord.com

Fund	Bid	Offer	D+/-	Yield
FCA Recognised - Luxembourg UCITS				
Foord International Fund | R	$ 48.79	-	-0.56	0.00
Foord Global Equity Fund (Lux) | R	$ 16.23	-	-0.13	0.00
Regulated				
Foord Global Equity Fund (Sing) | B	$ 19.40	-	-0.15	0.00
Foord International Trust (Gsy)	$ 47.56	-	-0.54	0.00

Fundsmith Equity Fund

Fundsmith LLP (1200)F (UK)
PO Box 10846, Chelmsford, Essex, CM99 2BW 0330 123 1815
www.fundsmith.co.uk, enquiries@fundsmith.co.uk

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Fundsmith Equity T Acc	618.24	-	-0.73	0.16
Fundsmith Equity T Inc	563.45	-	-0.66	0.16

GAM
funds@gam.com, www.funds.gam.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£ 103.63	-	-0.25	-
LAPIS GBL MED DEV 25.YLD-Na-D	£ 95.43	-	-0.40	-
LAPIS GBL TOP 50 DIV.YLD-Na-D	£ 117.65	-	-1.02	-

GUINNESS GLOBAL INVESTORS

Guinness Global Investors

Fund	Bid	Offer	D+/-	Yield
Guinness Global Equity Income Y GBP Dist	£ 19.00	-	0.10	2.18
Guinness Global Innovators Y GBP Acc	£ 27.82	-	0.74	0.00
Guinness Sustainable Global Equity Y GBP Acc	£ 11.08	-	0.16	-

HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490

Fund	Bid	Offer	D+/-	Yield
International Insurances				
Holiday Property Bond Ser 1	£ 0.48	-	0.00	0.00
Holiday Property Bond Ser 2	£ 0.63	-	0.00	0.00

Hermes Property Unit Trust (UK)

Fund	Bid	Offer	D+/-	Yield
Property & Other UK Unit Trusts				
Property	£ 6.35	6.82	-0.01	-

Janus Henderson INVESTORS

Janus Henderson Investors (UK)
PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Janus Henderson Asia Pacific Capital Growth Fund A Acc	1113.00	-	7.00	-
Janus Henderson Asian Dividend Income Unit Trust Inc	76.18	-	0.56	6.03
Janus Henderson Cautious Managed Fund A Acc	280.10	-	-1.40	-
Janus Henderson Cautious Managed Fund A Inc	136.90	-	-0.70	-
Janus Henderson China Opportunities Fund A Acc	1050.00	-	-1.00	0.28
Janus Henderson Emerging Markets Opportunities Fund A Acc	191.60	-	1.10	0.76
Janus Henderson European Growth Fund A Acc	300.90	-	0.90	1.15
Janus Henderson European Selected Opportunities Fund A Acc	2350.00	-	6.00	1.15
Janus Henderson Fixed Interest Monthly Income Fund Inc	17.02	-	-0.06	4.92
Janus Henderson Global Equity Fund Acc	4146.00	-	-1.00	0.00
Janus Henderson Global Equity Income Fund A Inc	66.69	-	0.19	3.28
Janus Henderson Global Sustainable Equity Fund A Inc	480.10	-	5.00	0.00
Janus Henderson Global Technology Leaders Fund A Acc	3124.00	-	36.00	0.00
Janus Henderson Instl UK Index Opportunities A Acc	£ 1.14	-	-0.01	2.87
Janus Henderson Multi-Asset Absolute Return Fund A Acc	162.90	-	-0.70	0.81
Janus Henderson Multi-Manager Active Fund A Acc	255.50	-	0.50	-
Janus Henderson Multi-Manager Distribution Fund A Inc	123.00	-	-0.40	2.59
Janus Henderson Multi-Manager Diversified Fund A Acc	85.85	-	-0.32	2.40
Janus Henderson Multi-Manager Global Select Fund Acc	312.30	-	0.30	0.00
Janus Henderson Multi-Manager Income & Growth Fund A Acc	186.20	-	-0.60	-
Janus Henderson Multi-Manager Income & Growth Fund A Inc	143.60	-	-0.50	2.71
Janus Henderson Multi-Manager Managed Fund A Acc	312.50	-	0.50	0.24
Janus Henderson Multi-Manager Managed Fund A Inc	301.50	-	0.40	0.31
Janus Henderson Sterling Bond Unit Trust Acc	197.20	-	-0.40	1.82
Janus Henderson Sterling Bond Unit Trust Inc	53.56	-	-0.10	1.84
Janus Henderson Strategic Bond Fund A Inc	100.20	-	-0.60	3.26
Janus Henderson Absolute Return Fund A Acc	169.70	-	0.00	0.00
Janus Henderson UK Alpha Fund A Acc	136.80	-	-0.40	1.12
Janus Henderson UK Equity Income & Growth Fund A Inc	497.50	-	-2.70	4.96
Janus Henderson US Growth Fund A Acc	1764.00	-	13.00	-

Kleinwort Hambros Bank Limited (UK)
5TH Floor, 8 St James's Square, London, SW1Y 4JU
Dealing and enquiries: 033 0024 0785

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Unit Trust Manager/ACD - Host Capital				
HC Kleinwort Hambros Growth A Acc	238.22	-	-1.82	1.36
HC Kleinwort Hambros Growth A Inc	216.14	-	-1.65	1.38
HC Kleinwort Hambros Equity Income A Inc	95.06	-	-1.76	3.06
HC Kleinwort Hambros Equity Income A Acc	191.80	-	-3.35	4.50
HC Kleinwort Hambros Multi Asset Balanced A Acc	169.23	-	-1.06	0.81
HC Kleinwort Hambros Multi Asset Balanced A Inc	158.96	-	-1.00	0.81
HC Kleinwort Hambros Fixed Income A Acc	123.89	-	-0.03	3.44
HC Kleinwort Hambros Fixed Income A Inc	93.86	-	-0.02	3.44

LAZARD ASSET MANAGEMENT

Lazard Fund Managers Ltd (1200)F (UK)
P.O. Box 364, Darlington, DL1 9RD
Dealing: 0870 6066408, Info: 0870 6066459

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Lazard Investment Funds (OEIC) B Share Class				
Developing Markets Acc	115.84	-	0.57	0.53
Developing Markets Inc	113.56	-	-0.92	0.54
Emerging Markets Acc	361.29	-	0.11	4.84
Emg Mkts Inc	270.47	-	0.00	5.07
European Alpha Acc	1087.55	-	0.59	1.13
European Alpha Inc	929.21	-	0.51	1.14
European Smaller Cos Acc	665.20	-	-0.21	1.12
Global Equity Income Acc	224.30	-	-0.14	3.42
Global Equity Income Inc	111.65	-	-0.07	3.50
Managed Bal Inc	179.86	-	-0.22	2.17
UK Income Acc	1617.40	-	-8.53	3.90
UK Income Inc	577.90	-	-3.05	4.00
UK Omega Acc	290.75	-	-1.12	1.92
UK Omega Inc	238.30	-	-0.91	1.95
UK Smaller Cos Inc	2001.79	-	8.44	-

Lothbury Property Trust (UK)
155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900

Fund	Bid	Offer	D+/-	Yield
Property & Other UK Unit Trusts				
Lothbury Property Trust GBP	£ 1632.89	1971.74	-3.56	3.42

M & G Securities (1200)F (UK)
PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Charifund Inc	1436.65	-	-9.74	5.69
Charifund Acc	28898.67	-	-195.95	4.81
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.06	-	0.00	2.43
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 38.26	-	-0.03	1.97
M&G Charity Multi Asset Fund Inc	£ 0.88	-	0.00	3.87
M&G Charity Multi Asset Fund Acc	£ 106.55	-	-0.45	3.54

MMIP Investment Management Limited (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Multi-Manager Investment Programmes PCC Limited				
UK Equity Fd Cl A Series 01	£ 3312.15	3338.41	59.65	0.00
Diversified Absolute Rtn Fd USD Cl AF2	$ 1698.02	-	45.93	-
Diversified Absolute Return Stlg Cell AF2	£ 1579.00	-	-1.98	0.00
Global Equity Fund A Lead Series	£ 1752.47	1755.76	-18.13	0.00

Marwyn Asset Management Limited (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Marwyn Value Investors	£ 329.72	-	-6.14	0.00

McInroy & Wood Portfolios Limited (UK)
Easter Alderston, Haddington, EH41 3SF 01620 825867

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Balanced Fund Personal Class Units	6014.20	-	-6.20	1.40
Income Fund Personal Class Units	2959.40	-	-7.60	2.40
Emerging Markets Fund Personal Class Units	2216.50	-	5.40	1.48
Smaller Companies Fund Personal Class Units	6079.50	-	-24.70	1.30

MILLTRUST INTERNATIONAL

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
British Innovation Fund	£ 121.92	-	2.89	0.00
MAI - Buy & Lease (Australia)	A$ 103.45	-	0.50	0.00
MAI - Buy & Lease (New Zealand)NZ$	91.20	-	-6.06	0.00
Milltrust Global Emerging Markets Fund - Class A	$ 95.03	-	-0.06	0.00

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
Milltrust Alaska Brazil Fund SP A	$ 88.09	-	-0.65	0.00
Milltrust Laurium Africa Fund SP A	$ 90.72	-	-2.18	0.00
Milltrust Marcellus India Fund SP	$ 124.51	-	0.32	0.00
Milltrust Singular ASEAN Fund SP Founders	$ 126.14	-	-1.44	0.00
Milltrust SPARX Korea Equity Fund SP A	$ 114.67	-	-0.95	0.00
Milltrust Xingtai China Fund SP A	$ 91.94	-	-1.55	0.00
The Climate Impact Asia Fund SP A	$ 77.01	-	-1.12	0.00
The Climate Impact Asia Fund (Class B)	$ 76.22	-	-1.11	0.00

Ministry of Justice Common Investment Funds (UK)

Fund	Bid	Offer	D+/-	Yield
Property & Other UK Unit Trusts				
The Equity Idx Tracker Fd Inc	1850.00	-	0.00	2.45
Distribution Units				

MIRABAUD ASSET MANAGEMENT

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Please find more details on our website: www.mirabaud-am.com

Fund	Bid	Offer	D+/-	Yield
Regulated				
Mir. - Glb Strat. Bd I USD	$ 115.50	-	-0.15	0.00
Mir. - DiscEur D Cap GBP	£ 162.80	-	-0.52	0.00
Mir. - UKEq HA Cap I GBP	£ 132.43	-	-0.67	0.00

OASIS

Oasis Crescent Global Investment Funds (UK) ICVC (UK)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Oasis Crescent Global Equity Fund USD A (Dist)	$ 34.07	-	-0.23	0.50
Oasis Crescent Global Income Fund USD A (Dist)	$ 9.97	-	-0.02	3.07
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 11.98	-	-0.06	1.01
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.37	-	-0.07	0.32
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 7.44	-	-0.05	1.51
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.93	-	0.00	2.17
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.59	-	-0.07	0.37

Omnia Fund Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Estimated NAV	$ 941.41	-	0.53	0.00

Orbis Investments (U.K.) Limited (GBR)
28 Dorset Square, London, NW1 6QG
www.orbis.com 0800 358 2030

Fund	Bid	Offer	D+/-	Yield
Regulated				
Orbis OEIC Global Cautious Standard	£ 11.96	-	-0.03	0.00
Orbis OEIC Global Balanced Standard	£ 19.67	-	-0.03	0.37
Orbis OEIC Global Equity Standard	£ 22.01	-	-0.07	2.55
Orbis OEIC UK Equity Standard	£ 12.21	-	-0.03	2.94

PLATINUM CAPITAL MANAGEMENT

Platinum Capital Management Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Platinum All Star Fund - A	$ 147.71	-	-	-
Platinum Global Growth UCITS Fund	$ 8.16	-	-0.08	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 9.59	-	-0.05	0.00
Platinum Global Dividend UCITS Fund	$ 45.47	-	-0.30	0.00

Polar Capital Funds Plc (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Automation & Artificial Intelligence Cl I USD Acc	$ 16.51	16.51	0.43	0.00
Asian Stars I USD Acc $	$ 13.88	-	-0.02	-
Biotechnology I USD	$ 38.67	38.67	-0.72	0.00
China Stars I USD Acc $	$ 10.29	10.29	-0.15	-
Emerging Market Stars I USD Acc	$ 11.11	-	-0.05	0.00
European Ex UK Inc EUR Acc	€ 15.27	15.27	-0.12	0.00
Financial Opps I USD	$ 13.65	-	-0.03	2.12
Global Convertible I USD	$ 13.45	13.45	-0.01	0.00
Global Insurance I GBP	£ 9.91	-	0.00	0.00
Global Technology I USD	$ 75.12	-	2.34	0.00
Healthcare Blue Chip Fund I USD Acc	$ 18.80	18.80	-0.10	0.00
Healthcare Dis I Acc USD $	$ 12.78	-	-0.25	0.00
Healthcare Opps I USD	$ 68.04	-	-1.19	0.00
Income Opportunities B2 I GBP Acc	£ 2.96	2.96	-0.01	0.00
Japan Value I JPY	¥ 162.00	162.00	-0.47	-
North American I USD	$ 32.90	32.90	-0.06	-
Smart Energy I USD Acc $	$ 9.56	9.56	0.13	0.00
Smart Mobility I USD Acc $	$ 8.86	8.86	0.00	0.00
UK Val Opp I GBP Acc	£ 12.51	12.51	-0.06	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Monument Growth 23/05/2023	£ 550.47	555.70	-0.82	0.00

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331

Fund	Bid	Offer	D+/-	Yield
Regulated				
Prusik Asian Equity Income B Dist	$ 179.06	-	-0.05	4.83
Prusik Asia Emerging Opportunities Fund A Acc	$ 177.61	-	0.06	0.00
Prusik Asia Fund U Dist.	£ 204.60	-	1.03	0.00
Prusik Asia Sustainable Growth Fund A Acc	$ 87.77	-	0.31	0.00

Purisima Investment Fds (UK) (1200)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 922 0044

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
Global Total Fd PCG A	402.34	-	4.54	0.17
Global Total Fd PCG B	396.87	-	4.48	0.00
Global Total Fd PCG INT	389.09	-	4.39	0.00

Purisima Investment Fds (CI) Ltd (JER)

Fund	Bid	Offer	D+/-	Yield
Regulated				
PCG B ♦	302.89	-	8.10	0.00
PCG C ♦	294.38	-	8.10	0.00

ram ai

Ram Active Investments SA
www.ram-ai.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
RAM Systematic Emerg Markets Eq	$ 216.59	216.59	-1.01	-

MANAGED FUNDS SERVICE

Fund	Bid	Offer	D+/-	Yield
RAM Systematic European Eq	€526.99	526.99	-3.18	-
RAM Systematic Funds Global Sustainable Income Eq	$ 146.67	146.67	-1.01	0.00
RAM Systematic Long/Short European Eq	€ 145.77	145.77	-1.00	-
RAM Systematic US Sustainable Eq	$ 335.95	335.95	0.65	-
RAM Tactical Global Bond Total Return	€ 138.46	138.46	-0.57	-
RAM Tactical II Asia Bond Total Return	$ 145.92	145.92	-0.25	-

Royal London (UK)
55 Gracechurch Street, London, EC3V rlam.co.uk
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Royal London Sustainable Diversified A Inc	£ 2.33	-	0.00	0.86
Royal London Sustainable World A Inc	350.70	-	2.50	-
Royal London Corporate Bond Mth Income	73.11	-	-0.12	4.26
Royal London European Growth Trust	211.80	-	0.70	1.10
Royal London Sustainable Leaders A Inc	795.50	-	-0.50	1.15
Royal London UK Growth Trust	622.70	-	-0.50	2.04
Royal London UK Income With Growth Trust	201.20	-	-1.30	5.09
Royal London US Growth Trust	384.50	-	4.60	-

Additional Funds Available
Please see www.royallondon.com for details

Ruffer LLP (1000)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 601 9610
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions

Fund	Bid	Offer	D+/-	Yield
LF Ruffer Diversified Rtrn C Acc	100.22	-	-0.29	1.89
LF Ruffer Diversified Rtrn C Inc	98.39	-	-0.28	1.90
LF Ruffer European C Acc	777.52	-	-2.78	0.81
LF Ruffer European C Inc	130.48	-	-0.50	-
LF Ruffer Equity & General C Acc	573.21	-	-0.32	0.76
LF Ruffer Equity & General C Inc	517.86	-	-0.29	0.76
LF Ruffer Gold C Acc	254.79	-	-6.01	0.00
LF Ruffer Gold C Inc	154.21	-	-3.64	0.00
LF Ruffer Japanese C Inc	187.24	-	0.79	-
LF Ruffer Japanese C Acc	360.29	-	1.70	0.23
LF Ruffer Total Return C Acc	544.05	-	-6.39	2.93
LF Ruffer Total Return C Inc	334.86	-	-3.94	2.99

RUBRICS

Rubrics Global UCITS Funds Plc (IRL)
www.rubricsam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 139.60	-	-0.44	0.00
Rubrics Global Credit UCITS Fund	$ 16.87	-	-0.03	0.00
Rubrics Global Fixed Income UCITS Fund	$ 170.84	-	-0.04	0.00

Scottish Friendly Asset Managers Ltd (UK)
Scottish Friendly Hse, 16 Blythswood Sq, Glasgow G2 4HJ 0141 275 5000
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Managed Growth ♦	344.00	-	-0.10	0.00
UK Growth ♦	403.90	-	-1.00	0.00

Slater Investments

Slater Investments Ltd (UK)
www.slaterinvestments.com; Tel: 0207 220 9460
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Slater Growth A Acc	601.37	601.37	-2.46	0.00
Slater Income A Inc	136.82	136.82	-0.70	5.22
Slater Recovery A Acc	314.37	314.37	-1.27	0.00
Slater Artorius	271.51	271.51	-7.00	0.54

Stewart Investors

Stewart Investors (UK)
23 St Andrew Square, Edinburgh, EH2 1BB
enquiries@stewartinvestors.com
Client Services: 0800 587 4141
Dealing Line: 0800 587 3388
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
SI Asia Pacific A Acc	1594.76	-	5.01	0.00
SI Asia Pacific A Inc	£ 2.82	-	0.01	0.00
SI Asia Pacific Leaders A Acc	869.36	-	6.52	-
SI Asia Pacific Leaders A Inc	£ 2.95	-	0.02	-
SI Asia Sustainability A Acc	740.01	-	5.01	-
SI Global Emerging Mkts A Acc	807.09	-	5.42	1.79
SI Global Emerging Mkts Leaders A Acc	557.34	-	5.09	1.08
SI Global Emerging Mkts Sus A Acc	369.25	-	2.43	0.00
SI Indian Sub-Cont A Acc	789.66	-	7.38	-
SI Latin America A Acc	£ 2.18	-	-0.01	2.87
SI Worldwide Equity A Acc	£ 2.36	-	0.05	-
SI Worldwide Equity A Inc	£ 2.39	-	0.05	-
SI Worldwide Leaders A Acc	605.68	-	3.97	-
SI Worldwide Sus A Acc	£ 2.66	-	0.00	0.00
SI Worldwide Sus A Inc	£ 2.58	-	0.01	0.00

STONEHAGE FLEMING
GLOBAL BEST IDEAS EQUITY FUND

Stonehage Fleming Investment Management Ltd (IRL)
www.stonehagefleming.com/gbi
enquiries@stonehagefleming.com
Regulated

Fund	Bid	Offer	D+/-	Yield
SF Global Best Ideas Eq B USD ACC	$ 241.58	-	2.00	0.00
SF Global Best Ideas Eq D GBP INC	£ 297.14	-	4.30	0.00

SUPERFUND INVEST BETTER

Superfund Asset Management GmbH
www.superfund.com, +43 (1) 247 00
Other International Funds
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Superfund Green Gold	$ 1012.70	-	4.67	0.00
Superfund Green Silver	$ 847.42	-	9.55	0.00
Regulated				
Superfund Green US$	$ 750.92	-	11.38	0.00

Thesis Unit Trust Management Limited (UK)
Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
TM New Court Fund A 2011 Inc	£ 18.66	-	-0.03	0.00
TM New Court Fund - A 2014 Acc	£ 18.82	-	-0.03	-
TM New Court Equity Growth Fund - Inc	£ 20.33	-	-0.04	0.00

TOSCAFUND

Toscafund Asset Management LLP (UK)
www.toscafund.com
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 5.06	-	0.02	3.35
Aptus Global Financials B Inc	£ 3.23	-	0.01	3.45

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$ 453.88	-	17.64	0.00
Tosca Mid Cap GBP	£ 150.51	-	-17.82	0.00
Tosca Opportunity B USD	$ 252.81	-	-15.33	0.00
Pegasus Fund Ltd A-1 GBP	£ 35.81	-	-0.10	0.00

TROY ASSET MANAGEMENT

Troy Asset Mgt (1200) (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 608 0950
Authorised Inv Funds
Authorised Corporate Director - Link Fund Solutions
Trojan Investment Funds

Fund	Bid	Offer	D+/-	Yield
Trojan Ethical O Acc	127.39	-	-0.16	0.07
Trojan Ethical Global Inc O Acc	101.87	-	-0.29	2.56
Trojan Ethical Global Inc O Inc	97.76	-	-0.28	2.59
Trojan Ethical O Inc	127.04	-	-0.18	0.08
Trojan Ethical Income O Acc	139.29	-	-0.24	-
Trojan Ethical Income O Inc	114.96	-	-0.20	-
Trojan Fund O Acc	385.78	-	-0.56	0.25
Trojan Fund O Inc	311.47	-	-0.47	0.25
Trojan Global Equity O Acc	499.22	-	1.38	0.00
Trojan Global Equity O Inc	411.90	-	1.14	0.00
Trojan Global Income O Acc	152.75	-	-0.60	-
Trojan Global Income O Inc	125.54	-	-0.49	-
Trojan Income O Acc	343.55	-	-0.62	2.96
Trojan Income O Inc	167.00	-	-0.30	2.93

Zadig Gestion (Memnon Fund) (LUX)
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Memnon European Fund - Class U2 GBP	£ 260.99	-	-0.39	0.00

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www.morningstar.co.uk

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OPINION

Weddings and divorce: scourge of investment returns

Stuart Kirk

Skin in the game

It's a fluke that my portfolio (I'm sorry darling, our portfolio) has been performing as well as it has since I've been away

Just as I keep buying Asian stocks despite losing money, a fortnight ago I remarried. No longer is it my skin in the game alone. And while I feel like the luckiest man alive, the risk profile of my portfolio has suddenly jumped inversely with my freedom.

That is because the spread of possible investment returns has widened. Thankfully, the divorce rate in the UK is a tenth lower for second versus first marriages, as opposed to the US, where it is 10 per cent higher (weird, eh?). And two weeks later, we're still speaking.

Statistically, however, there is a one-third chance we will split. In which case half of any gains accrued while I'm married effectively reduce to zero. My wife gets them. In investing terms, this is akin to a rise in implied volatility, the denominator in many risk-adjusted measures.

Sharpe ratios, for example, divide the returns a portfolio makes above a risk-free rate by the standard deviation of those returns. In other words, how much risk or volatility is being used to generate outperformance.

Fund managers love to flaunt their Sharpe ratios. A high number suggests a cool, steady aim when hunting excess returns. Low is firing at anything that moves. Clients too warm to the idea of maximising their gains per unit of risk.

My guess is that few retail punters ever think about risk-adjusted returns. Sure, you can usually find Sharpe ratios for individual funds. But hands up who aggregates them at a portfolio level? I certainly haven't, despite it being easy to do.

In theory, risk-adjusted returns shouldn't matter much for investors with medium to long-term horizons. Indeed, we focus on them at our peril, in my opinion. Provided you don't sell too often — or get divorced — the volatility should come out in the wash.

Beware a fund with a Sharpe ratio of 1.0 compared with another at 0.8. It seems more attractive because its excess return of, say, 7 per cent comes with 7 per cent volatility, compared with a 9 per cent return and a standard deviation of 11 per cent.

But returns pay for your Caribbean cruise, not low Sharpe ratios. The forgone 2 per cent above is almost a third of the real return you would expect from equities each year. Higher returns require more volatility — that's investing 101.

Hence the nightmare of divorce. The risk to your portfolio increases without the concomitant rise in performance. If that sounds unromantic and too close to home, what about the marital status of those managing your money?

Hedge fund titan Paul Tudor Jones once said: "One of my number one rules as an investor is as soon as I find out a manager is going through a divorce, I redeem immediately. Because the emotional distraction is so overwhelming, you can automatically subtract 10 to 20 per cent."

He wasn't exaggerating. In a Journal of Financial Economics paper, Messrs Lu, Ray and Teo found that after adjusting for other factors, hedge fund managers underperform their pre-separation track records by almost 8 per cent a year over the six months straddling a divorce.

What is more, their risk-adjusted returns keep underperforming by more than 2 per cent for a couple of years after that. These numbers were uglier for younger managers and those whose strategies rely on "information networks and interpersonal relationships".

And the paper doesn't only suggest you should stop reading this column when my wife runs off with our nanny. You should ignore my advice now. Incredibly, the event of getting married itself has an even worse effect on investment returns.

The same data shows an average 5 per cent annualised hit over the six months around a manager's wedding day. Similarly, hitched hedgies underperform their track records by well over 3 per cent per annum for two years after they say: "I do".

Older managers are distracted most. Following a month of entertaining family and friends, then partying until sunrise at my wedding, I'm not surprised. This 50-year-old ex-fund manager can barely remember his name, let alone the difference between levered and unlevered cash flow.

Thus it's a fluke that my portfolio (I'm sorry darling, *our* portfolio) has been performing as well as it has since I've been away. Coincidentally, it is up by almost exactly the amount we paid for booze at our reception. And my friends can drink.

Next week I will go into much more detail on the performance of all seven funds. Another quarter has passed since my last review, and I promised one every three months, both in absolute terms and versus relevant benchmarks.

It is hard to get a read on the last quarter. There was the faff in moving my two employee plans into a self-managed pension, which also resulted in too much cash floating around. I added three new ETFs too.

Still, the pot in total is 7 per cent bigger than it was in January. On one hand, that's depressing. A lot of hard work, thousands of words, scores of spreadsheets. All for a mid-single digit number — barely above inflation in some places.

On the other hand, the annualised rate doesn't stink. And we're 400 basis points clear of the average single manager hedge fund year to date, according to Preqin. Against the average fund of hedge funds, we're 600 basis points ahead.

Not that we're being competitive, but don't forget that many portfolio managers have yet to marry, let alone divorce. I'll be back to picking winners again well before their hearts, and subsequent returns, go pop.

The author is a former portfolio manager. Email: stuart.kirk@ft.com; Twitter: @stuartkirk__

Stuart Kirk's holdings, May 27 2023

	Assets under management (£)	Weighting (%)
Vanguard FTSE 100 ETF	123,384	27
Amundi MSCI Europe Banks ETF	55,100	12
iShares MSCI EM Asia ETF	48,490	11
Vanguard FTSE Japan ETF	52,480	11
Vanguard S&P 500 ETF	52,208	11
iShares $ Treasury 1-3 Years ETF	97,664	22
iShares $ Tips ETF	24,012	5
Total	453,338	

Any trades by Stuart Kirk will not take place within 30 days of being discussed in this column
Source: Stuart Kirk

Saturday 27 May / Sunday 28 May 2023

House & Home

FTWeekend

Bloom at the top Homebuyers chuffed with Chelsea – LONDON PROPERTY PAGES 3 & 4

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Location sensation

Who owns the real-life homes used as sets on TV shows such as 'Succession'? And how are these homeowners persuaded to open their doors to film crews? *Mark Ellwood* meets the location wranglers

Prestige TV megahit *Succession* is careening towards its conclusion after five years of satirising the lives and legacy of the Roy media empire family. The show's glimpse into the world of the one per cent has ignited viewers' curiosity around every choice made by the people who could buy anything — would a real-life Shiv really wear a Ted Baker dress, for example? Its locations, though, have arguably become the most discussed detail of all. Collectively, they're as much a character as any of the Roy scions. Take the Summer Palace, Logan's weekend retreat — in real life, a 20,000 sq ft 1960 mansion built for the grandson of car magnate Henry Ford — which *Succession*'s set-decorating team reconfigured to reflect the taste of a man like Logan, whose first successes came in the late 1960s.

Whatever locations the production team selects, watchers eagerly identify them: Nan Pierce's mansion, for example, was quickly clocked as a Belle Epoque-era home in Montecito owned by Google's former chief executive Eric Schmidt. Endless guides offer fans the lowdown for visiting the show's various locales — the Tuscan tourism board couldn't have managed a better bolster than having its countryside act as a backdrop to a *Succession* wedding.

It's a sign of our obsession with the current rash of wealth-spotlighting shows and films — curiosity around the real-life locations is insatiable. And it's up to location wranglers to identify and manage authentic sets for the production: they will liaise with creatives such as the director for a brief, then handle admin such as permits and logistics, while also smoothing any ruffled feathers during filming.

For the most impressive houses, daily fees can be up to $50,000 for filming, with scaled charges for set-up and break-down days, usually 50 per cent of that fee. It's easy to see why a business or a suburban homeowner might welcome the extra income, an unexpected boost to the bottom line. When a shoot requires more highfalutin homes, though, how do location experts persuade owners to open their doors to productions like *Succession*?

Damon Gordon, a location scout and manager who worked on *Succession* and *Revolutionary Road* among others, says one answer is boredom.

"It breaks up the monotony of life, an adventure for a week or so that's a fun, living testament, a wonderful party conversation piece forever," he says. "And there's bragging rights, too." If the potential for anecdotes isn't enough, sometimes he offers a different sweetener, as when he worked on a popular turn-of-the-millennium TV show. He was out in Connecticut's waterfront Gold Coast, inspecting high-end homes, when he met one couple who'd responded to the flyers he had hand delivered in the neighbourhood.

"Their daughter was home from college for the summer. She loves the show, they said, and she's been doing summer stock theatre. We'd love to have her in there." The deal was struck, and a small speaking part secured alongside the fee. "A six-figure amount doesn't change their lives, but getting their child a new career — or maybe helping her to learn she hates it? That's priceless," says Gordon.

(Above) Brian Cox as Logan Roy in 'Succession' at his weekend retreat, the Summer Palace — in real life, a 1960 mansion built for the grandson of Henry Ford; (below) Steve Mortimore location scouting in Wales
Landmark Media/Alamy

Don't assume, though, that those with multimillion-dollar homes aren't in financial need, he adds. One penthouse he secured in Manhattan — a process he called "a game of tag and an emotional rollercoaster" — was mired in a divorce; one half of the soon-to-be-ex couple was keen both to improve their bank balance and inconvenience their spouse.

Nick Carr, author of *Scout Stories* and a location scout who has worked in New York and LA, says many mansions in the Hollywood Hills are owned by cash-poor, asset-rich types who might have inherited the property or bought it before the boom in that area. "The place that's a multimillion-dollar home from the outside but the furniture, everything else, it looks like my mom's kitchen in Massachusetts? They're definitely paying the mortgages with film shoots."

Carr says the issue with any location is rarely centred around the homeowner; rather, it's the director's whims and ego that cause most headaches. "The truth is that every location worth filming has been used dozens if not hundreds of times, and no one cares, but the moment a homeowner says, 'Omigosh, we're so excited to see Martin Scorsese in our home, I hope you film here. We loved when *30 Rock* did', I think, 'No, don't say that.'"

Most directors, Carr adds, aren't visualising a location from reality but, rather, something from another movie — one reason so many impoverished

> 'It breaks up the monotony of life, an adventure for a week or so that's a party conversation piece forever'

twenty-something characters in Manhattan live in far larger apartments on screen than they could afford in real life. The boundaries between fact and fiction are blurred further by maps such as the one that Carr consults: it depicts Southern California, but the real names are replaced by the settings that they resemble — the desert portion is labelled the Sahara, for example, and the mountains are the Alps.

He was working with another big-name director to scout a home, and driving in a location van with him around a neighbourhood. Periodically, as the director spotted a home of interest, a scout would be dispatched from the van to knock on the door and inquire if the homeowner was interested; at day's end, the director was delighted to have discovered the perfect place. Or so he thought.

"He didn't find that house. We went out the day before and pre-scouted about 25 homes, and knew that if we told him this was the house, he would never pick it. So we told the van driver to keep taking turns in front of the place; it took 10-12 passes until he lifted his head up and said 'Hey, that looks great. Let's stop here.'"

The other way to ensure that locations are secured smoothly is to use a broker. There are several operations, particularly in the industry's hometown, that specialise in providing high-end homes that are pre-vetted for filming. They handle negotiations with a production company and take a cut, usually around

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The day the world woke up to my 'sleeper'

Lauren Indvik

Auction Hunter

Earlier this month, Tayler & Fletcher, a North Cotswolds estate agency that also runs a small saleroom, put up for auction a large, aqua-glazed bowl it described as Art Deco with an estimate of £20-£40.

Only the bowl wasn't Art Deco, and it wasn't worth £20-£40. A photo of the bottom revealed the insignia of the Omega Workshops, a design studio that produced murals, textiles and other homewares by Bloomsbury artists including Duncan Grant and Vanessa Bell for six trying years between 1913 and 1919. It was founded by the artist and critic Roger Fry, and it is likely that he threw the aqua bowl himself sometime between the autumn of 1913 and 1914, when he was learning to pot.

Surviving examples of Omega pottery number in the low hundreds — if that — and tend to command between four and five figures at auction; remnants of textiles and furniture can go for many times that. A rare estate sale of seven ceramics last year fetched from £3,275 (including fees) for a broken and reglued plate to £26,855 for a small plate painted with red cranes. Other pieces are held by the V&A and the Courtauld Gallery in London.

I knew all this because I had seen — and written about — a nearly identical bowl for the FT last year. That version is owned by the collector David Herbert and is, he believes, one of those that Virginia Woolf had mentioned in her 1940 biography of Fry — "a bowl or two of that turquoise

Zebedee Helm

blue that the man from the British Museum so much admired". This, I thought with a thrill, could be the other bowl. It had the same firing cracks along its twin handles and, like its sister, was rather amateurishly thrown — the shape was a bit wobbly and the bottom did not lie flat.

To find a "sleeper" — an item of significant value that a saleroom has passed over or misidentified — is every auction catalogue trawler's dream. Coming across an Omega sleeper is not something I expected to happen in my lifetime.

And so, two Saturdays ago, I shook my groaning partner out of bed at 5am to drive up with our dog to Bourton-on-the-Water. We arrived at the saleroom about an hour before the auction started. We didn't want to alert Tayler & Fletcher that it had a sleeper on its hands in case they would then pull the lot, so we made a show of looking around the entire showroom: sitting in discarded armchairs, looking through boxes of glassware, admiring a Victorian footstool with shredded upholstery. We briefly examined the bowl to see if the insignia and weight were right. They were. No one else showed any interest; the auctioneers were busy examining a clock that had been bid up to £120 before the auction start to see if they'd missed something. Just you wait, I thought.

The first lots moved slowly, with the auctioneers doing their best to drum up £15 for a pair of porcelain Royal Doulton figures, and £30 for a Derby quatrefoil dish and two matching dessert plates.

"Now this lot has attracted a lot of interest," one of the two auctioneers on the podium said as the blue bowl flashed up on screen, noting that it had already attracted pre-bids of £50. And then the counter started to fly: £1,000, £2,000, £3,000. There were gasps; the bowl was whisked into a cabinet. When the online bidding started to slow at around £3,600, I raised my paddle.

My partner and I had agreed not to bid past £4,200 — which would amount to £5,250 with the auction's house fees and VAT — but we were so quickly overpowered that we kept raising our number. The auctioneers and the room cheered us on. At £5,800 — £7,250 with fees — we bowed out. The hammer dropped and the room broke into applause.

"We were amazed," Martin Lambert, who has been working at the auction house for 26 years, said on the phone a few days later. "This doesn't happen very often."

> We'd agreed not to bid past £4,200 but we were so quickly overpowered that we kept raising our number

Omega Workshops bowl described as Art Deco, estimated at £20-£40

He told me the seller had "no clue" the bowl was by Omega Workshops. The team at Tayler & Fletcher has since thoroughly combed the other lots the family had sent over — so far, no sign of another Omega.

As sleepers go, this was not a major one. In the past, UK auction houses have unwittingly sold off a Rembrandt and a Chinese vase estimated at just £100-£150 that hammered down at £200,000 in a small Suffolk saleroom. With the internet opening up country salerooms to global audiences, they are happening more often — or so it seems. It also means that when people like me spot one, they tend not to be the only one. In my case, three other people, including an art dealer, identified it; it went to a collector who did not respond to a request for an interview.

In the end, I'm not sure the bowl went for much less than it would have had the auctioneers identified it correctly. I probably wouldn't have bid such a high number; a big part of the appeal, to me, was to be able to bore people with the story of "my sleeper" for the next five or so decades. And the bowl is, in a technical sense, not very good; I have a hard time imagining someone from the British Museum had admired its lumpy shape and eroded edges. When I posted it on Instagram, a ceramicist friend wrote back: "lol".

Still, I keep wondering if I should have bid just a bit more.

Lauren Indvik is the FT's fashion editor

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Location sensation

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30 per cent, of any rental fees paid. Catherine Meyler runs one of them, Meyler & Co.

She's an expat Briton who worked as a nanny in late-1980s Los Angeles; her employer was an architecture buff whose enthusiasm she quickly shared. She began traipsing around the city house-spotting as a hobby. Her knowledge of the town's architectural infrastructure helped her stumble into a job finding locations, initially for fashion shoots, then for film.

Meyler's roster of 2,000 or so properties includes mostly notable homes, such as those designed by Richard Neutra or Greene & Greene. A home by the latter in Pasadena had been painstakingly restored by its owners, and the producers of mini-series *The Romanoffs* were keen to use it. "[The owners] found a huge, 2ft square chandelier during the restoration that had been custom-made for the house in a large hallway, and said it couldn't be moved," Meyler recalls. It was at risk of damage from the equipment so the location manager Chris Baugh suggested a solution: a chandelier babysitter, a crew member deployed to sit beneath it at all times. "The owner did agree to it," Meyler says.

Apart from rental fees, other financial upsides are a factor, too — such as the recognition factor in any resale. One home that Meyler wrangled for *Don't Worry Darling* went on the market six months after filming. "Even though it was never discussed . . . in retrospect I think . . . part of the reason the owner let us do it was that he was letting go of the house — he'd restored it to perfection."

More than just resale value, there are favourable tax terms that incentivise such rentals in the US. Anyone can rent out their home for up to a fortnight per year tax-free (hit 15 days or more and tax is due on the entire sum). "It's 14 days of tax-free money, and a lot of wealthy owners look at that as maintenance money," says Meyler.

In the UK, there's no such loophole, as Steve Mortimore knows. Mortimore is a Briton who is also a Hollywood veteran, having worked on the likes of *Wonder Woman 1984* and *World War Z*; much of his work has been in the UK. Cajoling the chatelaines of country piles here isn't as hard as it once was, he says, thanks to the likes of *Downton Abbey* and *Harry Potter*. "Everyone wants to be the next Highclere or Alnwick," he says.

(From top) Shooting a scene from 'The Gilded Age' in Newport, Rhode Island; Noma Dumezweni and Donald Sutherland in 'The Undoing' on the set inspired by the penthouse where the director's grandfather lived; Kaufmann House, one of several homes used in the film 'Don't Worry Darling'; actor Chris Pine

Star power in Britain is of a different wattage: the occupants of one stately home only acceded to Mortimore's request to shoot a commercial there several years ago when they discovered the talent involved. "The secretary had slammed the phone down on me, but when [the lady of the house] read my fax, she called me straight back. 'Did you say Des Lynam?'" she asked, referring to the long-serving TV sports presenter. "'I have a soft spot for him. Let me have a word with my husband.'"

The issue with such properties, he says, can be persnicketiness over scripts — one stately home Mortimore declines to name allowed the upcoming Ridley Scott film *Napoleon* to shoot there, but restricted to certain rooms its raunchiest scenes. "Maybe it's somewhere the Queen Mother was seated and they just can't do it."

Character can be an issue too: in *Kingsman: The Secret Service*, Mortimore was tasked with finding a house in London to act as an oligarch's lair. Astonishingly, he found one that would require little to no alteration for use, a rarity for most private homes — what he calls a "very bling house" that was owned by a well-known businessman's ex-wife. "We offered an awful lot of money, and she agreed only if no one knew that it was her house we'd used."

The challenge of securing such locations from wealthy homeowners is diminishing, at least according to New York-based Lauri Pitkus. She's worked as a location scout and manager on HBO TV shows such as *The Undoing* and *The Gilded Age*, as well as movies such as *Ocean's Eight* and *The Bourne Ultimatum*. Her greatest challenge came when working with Danish director Susanne Bier on *The Undoing*. The director had visited New York as a child, and recalled the spectacular penthouse in which her grandfather had lived. Find me that, or one like it, she instructed Pitkus, as a

> 'It's 14 days of tax-free money, and a lot of wealthy owners look at that as maintenance money'

home for Donald Sutherland's ultra-wealthy character.

Pitkus sent her scout traipsing up and down the sidewalk in front of the toniest apartment buildings on that stretch of Fifth Avenue; most of the doormen shooed him away. Instead, they sent formal requests on headed paper to the co-op presidents of each property. Pitkus was staggered when she received a prompt, positive response from Maureen Sherry, the board president of a building on the Upper East Side, who was amenable to filming in empty apartments. One of them was owned by Sir Howard Stringer, former chair of Sony, but he was about to sell. "He was wonderful, and with his background was a big supporter of the arts, and they made a very fair deal with us," says Pitkus.

Even that private home, though, wasn't quite a fit for Bier's vision, so the production team created a soundstage replica. The hallways and elevator, for example, are ersatz since those communal elements are irksome to film; the salon, too, is a fiction, mostly because they wanted the ceilings to soar as high as possible — around 20ft, taller than even the fanciest New York homes.

There's another reason the very wealthy are willing and able to offer up a multimillion-dollar home for a movie or two. "More and more people have more and more money, and so they have more and more homes — which they often don't live in," says Pitkus. "We talk about how Tribeca has become the land of safety deposit boxes, full of fabulous, decorated apartments that no one lives in."

Well, until Pitkus and co are tasked with finding a home for the menacing patriarch of the next super-rich, super-dysfunctional family to grace our screens.

HOUSE MUSEUMS

AROUND THE WORLD

#18: Sir John Soane's Museum

There are houses that become museums and there are houses that were museums all along. Architect Sir John Soane's house is one of those. Stuffed with ancient artefacts, medallions, paintings and books, its interior is intense, memorable and enduring. Built over two decades between 1792 and 1812, it consists of three houses in a terrace that Soane demolished and rebuilt on London's Lincoln's Inn Fields.

As designer of the Bank of England and Britain's first public art gallery at Dulwich, Soane (1753-1837) was one of the era's most successful architects. But he was a self-made man, son of a bricklayer, who had worked his way up. An avid collector, his house became an incredible cabinet of curiosities, layered with carvings, columns and casts.

Running short of wall space for his paintings (by the likes of Hogarth, Canaletto and his good friend JMW Turner), Soane designed a gallery with hinged panels that could be opened up like pages in a book to display further works. The final reveal, beyond the last canvas, is a view of the house itself, a brilliant little touch of architectural vanity, the interior as work of art.

The house's complexity and theatricality — the play of light and shadow, an array of mirrors, windows into mysterious, inaccessible spaces and courtyards — allow you to discover something new on each visit. You may feel that it is too fussy, too cluttered, too dense. But it is that rare building that is both absolutely of its time — revealing classical taste, Soane's obsessions with possessions, the *wunderkammer* as personal museum — and also utterly modern in so many surprising ways.

> It is that rare building that is both absolutely of its time and utterly modern in so many surprising ways

Soane composed fantasies about previous inhabitants (including that one was a medieval monk) and imagined his house as a future ruin excavated by archaeologists in his odd book *Crude Hints Towards an History of my House in Lincoln's Inn Fields* (1812). It was a seemingly postmodern attempt at storytelling; the house as narrative. And as museums continually update themselves, shedding layers of presentation and atmosphere, Soane's house, protected by an act of parliament, remains.

One of his last modifications to a project that grew as he acquired more property and antiques was the carving out of a small drawing office on the top floor. The house was conceived partly as a display of his architectural brilliance but this room at the top has not previously been accessible to the public. Now open for small tours and artist residences, there is a chance to see the brilliantly top-lit space furnished as it was in Soane's time, with the models he used as illustrations for his lectures and fragments of Roman buildings crowding the walls. There are glimpses down into the domestic interior, a crow's nest of an office casting little shafts of light to survey the private world below.

As you reach the top of the stairs you are confronted with five beautifully carved wooden columns, models of the five orders, the basis of all classical architecture, reputed to have belonged to Sir Christopher Wren. They both entice and act as a cage, an apt metaphor for a captivating, strange interior.

Edwin Heathcote

soane.org

Chelsea's mixed bouquet

London property | Even as interest rate rises mean a subdued housing market, buyers are lured by the area's schools, architecture and community feel. By *Alexandra Goss*

As the great and the good have descended on Chelsea this week for the annual flower show, the streets of this well-heeled south-west London neighbourhood have been transformed by colourful floral displays.

The theme of the Chelsea in Bloom festival, now drawing to a close, is "flowers on film". A *Jurassic Park*-inspired T-Rex has been planted in Sloane Square, an enormous gold Oscars statuette is on Pavilion Road, and there are floral tributes to *Mary Poppins* and *The Lion King*.

Unlike the plants, however, the housing market in Chelsea has been wilting recently. Rising interest rates have damped activity and the number of property sales in the first three months of this year was 31 per cent below the same period last year, according to LonRes, which tracks the prime property market — though it remained 11 per cent up on the average between 2015 and 2019.

Prices in this area, sandwiched between South Kensington and the Thames, are attractive compared with other exclusive parts of the capital. Homes in the Chelsea postcodes of SW3 and SW10 average £1,554 a sq ft, below the £1,740 for prime central London, LonRes says, although this figure masks a significant divergence between flats and houses. The Covid race for space helped drive the value of houses in Chelsea to a new record of £2,005 a sq ft in 2022 (although this has since slipped back to £1,868). Flats average £1,435 a sq ft, 11 per cent below the 2014 peak.

Much of the recent growth in the price of houses has been driven by families as there are excellent schools in the area, says Matthew Morton-Smith, of Savills estate agency. "It also has a village feel in central London and Covid has highlighted the importance of living in a neighbourhood and having local cafés and shops," he adds.

> 'It is a beautiful area architecturally and they know you at the butcher and the fishmonger'

Chelsea's community feel was key for Cheryl Muller and her financier husband, who bought a duplex flat with a roof terrace in one of Chelsea's red-brick mansion blocks late last year. The couple, who are from New York, rented in Chelsea during the pandemic and benefited from the strength of the dollar against the pound when they bought in the wake of the calamitous "mini" Budget last September.

"We didn't buy a bargain," she says. "What attracted us to Chelsea were conveniences such as the King's Road and Battersea Park across the river . . . It is also a beautiful neighbourhood architecturally and has a real community, where they know you at the butcher and the fishmonger."

The shops in Chelsea have been steadily improving. Following on from the redevelopment of Duke of York Square, in recent years Cadogan Estates, Chelsea's largest landlord, has embarked on a £500mn modernisation project, which includes redeveloping the King's Road — once the epicentre of the Swinging Sixties — installing a new Curzon cinema, new shops and a rooftop bar.

Cadogan has also created a new shopping street, Pavilion Road — this has a European café culture feel and is home to independent stores such as a butcher, fishmonger, baker, cheesemonger and grocer. In March, the landowner began a £46mn, two-year pedestrian-friendly makeover to Sloane Street, which links Sloane Square to Knightsbridge.

British and European buyers have long dominated here, although the weakness of sterling against the dollar prompted a spike in US purchasers, such as the Mullers. Last year, the proportion of sales in SW3 to US buyers by Hamptons estate agency rose by 8 percentage points to 12 per cent, the highest figure since at least 2011, with many Americans looking for second homes. "Demand from buyers dropped at the end of 2022 but we have seen them return this year, keen to buy something at the right price," says Robert Green, of John D Wood & Co estate agency.

Continued on page 4

(Clockwise from above) Classic 19th-century town houses; Chelsea in Bloom's theme this year is 'flowers in film'; chuffed with Chelsea — John Michaels/Alamy; Dave Benett/Getty Images for Cadogan

House&Home

(Above) The shopping street Pavilion Road has a European café culture feel; (below) Cadogan Square has some of London's most expensive property — Magdalena Susa/Alamy; Shutterstock/M Stone

Continued from page 3

Purchasers can find a wide range of property types, from grand crescents and garden squares to old merchants' houses and artists' studios, with prices from £500,000 upwards. Sales to landlords have dropped in recent years and, as interest rates have risen, cash has become king — 75 per cent of the buyers currently looking for homes in Chelsea with estate agency Marsh and Parsons are cash purchasers.

'There's a great lifestyle — you can go for a morning coffee at an outdoor table and still be sitting there at 9pm'

The most desirable flats are closer to Sloane Square in the red-brick Cadogan Square and Cadogan Gardens. Markham and Carlyle Squares are popular for family houses, as is Mallord Street, while Rokstone estate agency recently sold a house in Chelsea Park Gardens for just under £11mn and one in Mulberry Walk for £16mn — both were bought by European families.

Further west, heading into SW10, you'll find the largest, most prestigious houses on The Boltons, The Little Boltons, Gilston Road and Tregunter Road. Many of these benefited from the old Kensington & Chelsea planning laws so houses with basements command a premium, with prices ranging from £10mn with no basement to around £30mn fully dug, according to Henry Sherwood of The Buying Agents.

New-builds are scarce. The most notable are Chelsea Barracks, on the fringes of Chelsea — its latest phase, 9 Mulberry Square, is due to complete in the first quarter of next year — and The Glebe, a former school site just south of the King's Road. Prices for The Glebe's seven luxury apartments and two private villas start at £27.7mn and four of the homes have sold, all to Europeans, with the smaller villa going for £75mn, according to Guy Meacock, of Prime Purchase. "A house going for north of £3,500 per sq ft is not unheard of in Chelsea, but it was still a keynote sale," he says.

Edward Horswell and his wife Nona moved to a five-bedroom house near Sloane Square in 2001 for the convenient location close to both central London and their daughters' school. "There's a great lifestyle here and some really good restaurants — you can go for a morning coffee at one of the outdoor tables and still be sitting there at 9 o'clock at night," says Horswell, who owns The Sladmore Gallery. "The atmosphere during the flower show is unbeatable."

/ AT A GLANCE

Chelsea is in the Royal Borough of Kensington & Chelsea, where owners of homes in the middle council tax band (D) must pay £1,422 for the 2023-24 year.

So far this year, house sellers in Chelsea's SW3 and SW10 postcodes have accepted offers 6.5 per cent lower than their initial asking price, on average, according to LonRes. The average discount for flats has been 9.2 per cent.

Flats in SW3 and SW10 are taking an average of 300 days to sell (between launch and exchange), while houses are selling at an average of 203 days, according to LonRes.

PROPERTIES FOR SALE

CHELSEA

▲ Flat, Radnor Walk, £1.95mn

A two-bedroom second-floor apartment with access to the communal gardens of Tedworth Square, a short walk from the site of the Chelsea Flower Show. The property, which has recently been refurbished, measures 873 sq ft. It is on the market with Strutt and Parker.

▲ House, Sloane Court East, £6.25mn

A four-bedroom terraced house with communal garden access and a self-contained one-bedroom flat on the lower-ground floor. The property, which measures 2,702 sq ft, also has 460 sq ft of undeveloped space in the loft. Available with Strutt and Parker.

▲ Flat, The Glebe, £27.7mn

An individually designed, four-bedroom apartment with hotel-style amenities in a luxury new development on Glebe Place. The apartment, which measures 5,209 sq ft, is a short walk from the shops and restaurants of the King's Road. For sale through Knight Frank.


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'We all come here to heal'

Community gardens can help with conditions from obesity to loneliness. No wonder more health professionals are 'green prescribing'. By *Simon Kuper*

Dee Holgate spent the first six months of the pandemic locked up alone. When she was 27, she had been told she had months to live, and though a kidney transplant saved her aged 29 in 1976, in her seventies she remained immunosuppressed. From March through September 2020, she had almost no human contact beyond greeting neighbours from her stoop. She says, "It was a killer for me, because I'm a people person."

When finally allowed out for walks, she discovered her local community garden, Sunnyside in Archway, north London. "It saved my life," she reflects, a mask pulled up almost to her eyes, basking in the garden's pale April sun. "I got to know some of the people that volunteer and work here. Then we got the ducks. That really changed my life."

Community gardens are an old phenomenon infused with a new excitement. They seem to have potential to mitigate many problems of our era: loneliness, ageing populations, obesity, poor mental health, lack of exercise, concrete cities and overstrained health services. Especially in the UK, there is a trend to "green prescribing": healthcare professionals advising patients to spend time in nature, whether through woodland walks, wild swimming or gardening. Community gardens cannot replace doctors and pills. But a growing body of research is asking whether they can supplement them.

Community gardens are booming in many places, notably London. Ahead of the city's Olympics in 2012, the Capital Growth project set a target of creating 2012 new food-growing spaces in London. When the target was hit, Capital Growth and other groups barrelled on. Many gardens sprang up on disused "grass deserts" on council estates, hospitals and schools, says Amber Alferoff of the Social Farms & Gardens charity. Now there's potential to start gardens on former parking spaces.

Sunnyside, which opened in 1978, serves a typically mixed London neighbourhood: the garden's front gate faces council estates with social housing, and nearby are houses worth £1.5mn. Sunnyside is open day and night, year round. On nice evenings, council tenants, who don't have gardens at home, come to barbecue or picnic.

Sunnyside is a rare spot where London's haves and have-nots meet (and the haves take care not to mention fancy holidays). One recent Sunday afternoon, locals of all incomes, ages and ethnicities were chatting in manifold accents. There was a plant sale, a volunteer bike repairer fixing a wheelbarrow, and a woman with her carer helping make everyone soup and sandwiches in the portable cabin. On the cabin's wall is a group photograph from the funeral of Ron, a longtime regular who could no longer speak but urged on the gardeners wordlessly.

"It's a sphere of voluntary association, like a pub or a church," says Sunnyside's manager Anna Portch. "We all come here to heal. Me too: I started coming after my mum died." Eventually the then manager asked her, "You wouldn't like to run this, would you?" Portch says the post-Covid crises of cost-of-living and healthcare have made the garden even more sought after: "People are more anxious now."

Much of her job is fundraising. Most community gardens are forever under financial pressure. When Sunnyside's three-year grant from the National Lottery expires, Portch will again need to find £60,000 or £70,000 a year to run the gardens, nature reserve, pond and plant nursery. Four days a week, Sunnyside serves lunch to volunteers, some of whom don't always eat regularly. One famed eater is Jonathan, a smiling middle-aged autistic man in baseball cap and tracksuit, who has been coming here 10 years. "It gets me out of the house, keeps my mind occupied," he says. He never misses a session — or, the others joke, a lunch.

Some people who come here are doing fine. Others are recently retired or bereaved, recovering from illness or in residential care. Dean, a young man who enjoys litter-picking, watering and weeding, says Sunnyside is his favourite place. His Zimbabwean carer Kimpton adds: "The most important thing is: it's free." This is one of London's few spots where time is not money, where you can spend hours without buying a £2 tea.

Anyone can drop in for a gardening trial session. If you can't garden, you can chat, make the tea or tend the ducks in their pond. "The first year, the duck had six eggs," says Holgate. "But a human had them — I don't think it was a dog or a rat." Later, the same duck hatched nine ducklings up the road on Highgate Hill, and one Sunday, walked them to Sunnyside. "Unfortunately, one died on the way," says Holgate. The family's arrival sparked joy, and Holgate led group discussions on what to feed them (not bread).

(Top and right) Volunteers and locals at Sunnyside community garden, which has been serving a mixed north London neighbourhood since 1978; (above) Loughborough Farm near Brixton, south London

Esther Coles, a community gardener and beekeeper, walks me around the gardens. There are wild plum trees, celandine and native London weeds. Locals have brought plants from their own gardens that they can no longer manage: roses, fig trees, even an avocado tree. One volunteer has created a fern garden. The cow parsley will flower soon.

Coles, originally from the Midlands, says: "This garden has made me love London more than ever. It's taught me not to judge any person that comes here." There are people here whom you might walk past unthinking on the street. Coles says: "Some people come and pour their hearts out about how they are feeling in their accommodation, and I might never see them again, but we have all stood around supporting them."

Marco, a young man in a bobble hat, began coming here after his mental health disintegrated and he had to stop teaching at a primary school. When a therapist recommended gardening, he googled various community gardens to fill his week.

He says, "It provided a safe space just to be, without judgment, during the day." Nobody at Sunnyside will ask you about your problems, unless you choose to talk about them.

Growing food together, says Marco, "is humanising and humbling. We're just beings who need food, and food needs to be grown. Also, you can see something tangible. I was a teacher, the results are less tangible." Now he works part-time, teaching children and teenagers about plants, food and biodiversity.

Nobody pretends that gardening can heal severe depression or bipolar disorder. But then, Marco adds: "The NHS right now doesn't have the capacity to heal. The mental-health system is totally overloaded. It's firefighting just to get people functioning and carry on." Gardening hasn't solved all of Marco's problems but, he says, "Connection with nature and connection with people is healing. If people are isolated, healing is difficult." And even when gardening cannot heal, it can improve a sufferer's wellbeing.

The benefits of community gardens to mental and physical health feel intuitive. Charlotte O'Connor, who manages Loughborough Farm near Brixton, south London, says health providers increasingly refer patients to the farm. Mitigating some forms of depression and other disorders through gardening can save public money: by one estimate, the average nine-minute GP consultation cost the government £42 in 2021-22. GPs, in any case, often cannot help people whose problems might be loneliness, a battle with the benefits system or simply what doctors in deprived areas call "shit life syndrome". The NHS, the Department for Environment, Food and Rural Affairs and other institutions are running a £5.77mn-project at seven "test and learn" pilot sites to assess the impact of green prescribing on mental health.

For now, evidence for the health benefits remains scarce. An academic team led by Clare Hume of the University of Adelaide published a paper last year called "Community gardens and their effects on diet, health, psychosocial and community outcomes". It reviewed 53 past studies and concluded: "Effects appeared positive for fruit and vegetable intake, some psychosocial and community outcomes, but mixed for physical health outcomes." However, it added an important caveat: "Evidence quality overall was low."

> 'This garden has made me love London more. It's taught me not to judge any person that comes here'

One problem was that most studies only looked at community gardeners, without comparing them with a control group of similar people who hadn't gardened. That meant that positive findings might stem simply from selection bias. Perhaps community gardening attracts people who were already sociable and interested in nutrition. If so, they might have thrived even without gardening.

This January, The Lancet Planetary Health journal published a groundbreaking study led by Jill Litt of the University of Colorado, Boulder. It followed 145 new community gardeners in Colorado, but also established a control group: 146 people who had been on a waiting list for community gardening but didn't get a place. The findings: the gardeners added about 7 per cent more fibre than the control group, averaged nearly 41 minutes more moderate-to-vigorous physical activity per week, and had greater declines in perceived stress and anxiety.

More evidence of this sort might encourage governments and donors to support community gardens, which for now depend on the willingness of managers like Portch to work for paltry wages even as the cost of living rises. British local councils rarely give grants to community gardens anymore. Worse, authorities will always be tempted to replace these places with homes or roads, which can show a financial return — as if somewhere like Sunnyside were a luxury rather than one of the last vestiges of community that many people have.

Can design change reality?

International partnerships at the London Design Biennale sought to address dilemmas such as the war in Ukraine and digital domination. By *Louis Wustemann*

The London Design Biennale, which opens at Somerset House next week, has sometimes felt like a World's Fair of blue-sky ideas, most of them thought provoking but few likely to translate to real-world applications.

This year, in its fourth iteration, a vein of practicality runs through the biennale, balancing the purely conceptual exhibits. Artistic direction is in the hands of the Dutch design centre Het Nieuwe Instituut, led by Aric Chen, who sees a chance to use the showcase to nurture and promote design-led answers to pressing problems. "We have got very good about posing questions and raising awareness of issues," says Chen. "But at a certain point we have to ask ourselves, 'can we do more?'"

This urge to show solutions rather than just air dilemmas is most obvious in a clutch of installations responding to the war in Ukraine. Poland's Adam Mickiewicz Institute is displaying (and collecting) salvaged window frames, continuing a project in which Polish citizens have donated hundreds of windows removed during building renovations to replace those destroyed by bombing in Ukrainian cities. Japanese architect Shigeru Ban has assembled the Humanitarian pavilion, modelling his Paper Partition System, recently used to create temporary private enclosures from cardboard tubes and cloth curtains for refugees in Ukraine's school halls.

Ukraine's own room, its windows criss-crossed with the tape used by citizens to limit flying glass shards, features bold textile hangings and clay vessels in futuristic shapes, to show the resilience of the country's design community. "We had meetings when they said, 'Sorry we couldn't do anything this week because we have been underground in a bunker for three days,'" says biennale director Victoria Broackes of the pavilion's Kyiv-based organisers.

The biennale's strapline is "The global game: remapping collaborations", and design teams worldwide have been encouraged to share ideas and research from the early stages. Broackes says it was an appropriate response to a global drawing in of horns. "A few years ago one felt that national boundaries were more fluid," she says. "There is a sense in which people are back behind closed walls and doors now."

"In a cheeky way we saw ourselves as like the UN," adds Chen. "All we can do is create frameworks for collaboration."

To promote transnational partnership, the Instituut commissioned Amsterdam studio Play the City to design a facility Chen compares to an online dating app, where the design teams post their profiles and interests and search for like minds to work with.

The early successes are reflected in a few joint pavilions. Spain and Peru have combined to highlight shared cultural history by showcasing the *cajón*, a box-shaped drum that originated in afro-Peruvian music but has been adopted by flamenco musicians. The Danish and Swiss consortiums are exhibiting the model of Blue Nomad, a solar-powered "floating habitat" made of waterproofed flax, which the designers intend to build full scale for a 2,000-mile voyage round Europe's coasts.

(Above) Ukraine's room at the Biennale at Somerset House has windows criss-crossed with the tape used by citizens to limit flying glass shards; (right) Dubai's show-stopping sand dunes

Adolfo Arnulfo - MULA

Het Nieuwe Instituut has modelled the co-operative spirit in its own Netherlands pavilion, which is built of demountable boxes designed to double as seats and lecterns that can be borrowed by other pavilions to stage talks and happenings, spreading the installation throughout the building.

Many of the Biennale's displays blur the lines between the physical world and virtual environments. In the South Korean pavilion, visitors will sit in a traditional timber shelter, don VR goggles and be transported to a 16th-century garden where scholars would once wander to clear their minds.

> 'In a cheeky way we saw ourselves as like the UN. We can create frameworks for collaboration'

In the US installation titled "A species between worlds", artist John Mack explores what he calls "the digital takeover of human consciousness" through his spectacular landscape photographs merged with flat renderings of the same spaces by the *Pokémon Go* game app.

Glowing fibre-optic textiles hanging in Somerset House's grand Nelson Staircase will pick up and react to onlookers' brainwaves via headsets in the Inner Peace installation by a multidisciplinary group including the Royal College of Art and architects Foster + Partners.

The strong digital presence reflects the zeitgeist, but also hard economic reality. It is often less expensive to exhibit a screen-based installation than to build a room full of fragile objects and ship them halfway around the world. "There's not a lot of money around to do this kind of thing," Broackes admits. "European countries that would have had a budget no longer have one. Sponsorship is harder to come by."

But funding constraints have not robbed the biennale of three-dimensional show-stoppers. Dubai's exhibitors have half-filled their room with sand dunes, then added a Mars space probe. In the central courtyard, Open Square Collective has built a maze echoing the layout of a typical Maltese village, made of wooden frames hung with purple drapes, alluding to the highly valued imperial purple dye extracted from sea snails by the Phoenicians.

For all the spectacle, Chen hopes that the month's exhibits will be just the tip of an iceberg of work between the participants for years to come. Het Nieuwe Instituut will also distil lessons from the collaborative process it sponsored to see how it could be improved.

"It's about step by step changing the role of cultural institutions to be more useful," he says. "Can we take some of these ideas and propositions forward and begin to change reality?"

June 1-25; londondesignbiennale.com

Hot property
Munich

By Eliza Parr

House, Bogenhausen, €12.9mn

Where In a small residential area, Herzogpark, on the east side of Englischer Garten in the north of the city. The bank of the river Isar, which has green spaces running along it, is within a 10-minute walk.
What A modern villa with five bedrooms, five bathrooms and 6,092 sq ft of living space. There are three above-ground floors, while the basement houses a fitness area and sauna, and a two-car garage adjoins the ground floor.
Why The west-facing garden and outdoor terrace, surrounded by greenery, can be accessed directly from the living room via large glass sliding doors. There is also a terrace from the master bedroom, as well as on the roof.
Who Dulsen & v Wangenheim AG

Penthouse, Parkstadt Schwabing, €10.89mn

Where In the northern borough of Schwabing-Freimann, which was known for its bohemian scene in the early 1900s. The property is within five minutes' walk of Englischer Garten, which stretches from the city centre to the north-east of the city and is larger than New York's Central Park.
What A penthouse on the top three floors of a 1940s apartment block with 4,069 sq ft of living space. The property has three bedrooms, two bathrooms, a private elevator and a garage with an electric charging station.
Why The top-floor position of the apartment gives unobstructed views across Munich from its rooftop terrace, balconies and loggia.
Who Christie's International Real Estate/Riedel

Engel & Völkers Münchener Süden

House, Solln, €4.95mn

Where In a residential area of Munich's southernmost borough and close to the river Isar. Solln train station is less than 10 minutes away on foot, from which the city centre can be reached in 15 minutes.
What A four-bedroom, three-bathroom house with 2,519 sq ft of interior space, including a separate apartment which can be used as a guest house or home office. The property has three outdoor terraces and a garden with a koi pond.
Why The listed property was built as a coach house in 1905 and was renovated in 2015 to combine its traditional characteristics with modern glass and timber features.
Who Engel & Völkers

Apartment, Neubiberg, €685,000

Where In a village in south-east Munich, half an hour from the centre by public transport. The airport is 35 minutes away by car.
What A one-bedroom apartment with 807 sq ft of living space. There is underfloor heating throughout the property and parquet flooring in the living room.
Why The mezzanine level gives the living room high ceilings, while large latticed glass doors lead out on to a south-west-facing roof terrace, and bring light into the apartment.
Who Engel & Völkers

House, Nymphenburg, €8.9mn

Where In the north-west of the city, just below the canal leading up to Nymphenburg Palace and its 490-acre park. Marienplatz in the city centre is 20 minutes' drive; the Olympic Park is about 10 minutes.
What A 3,455 sq ft house with five bedrooms, a library area, bar and wine cellar.
Why The listed property, first built in 1883 in a neo-Renaissance style, has been modernised with features such as skylights, a statement staircase and an underground whirlpool and steam room.
Who Christie's International Real Estate/Riedel

Is it craft or is it art?

This was one of the central questions addressed at the Loewe Foundation Craft Prize in New York. By *Lucy Watson*

In my lifetime there have been numerous announcements: of the death of painting; the death of the novel; the death of drawing; the death of craft," said essayist Fran Lebowitz at the Noguchi Museum in New York last week. "None of these things are true. But the people who said them are dead. And that's a good thing."

Lebowitz was awarding the sixth annual Loewe Foundation Craft Prize to Japanese ceramicist Eriko Inazaki – an event which, judging by the size of the crowds, clearly demonstrated that craft is far from dead. In fact, with 2,700 submissions and a prize of €50,000 (the Turner Prize is £25,000, for context), craft might better be described as the life of the party.

Inazaki's winning piece, "Metanoia", took her a year to create and was, according to the judges, "a distinctive contemporary take on ornamentation in ceramics such as the jury has never seen before". The incredibly intricate piece is displayed in a wood and breeze-block shed adjoining sculptor Isamu Noguchi's former studio.

It's hard to appreciate the minuscule detail, made from layering tiny fragments of clay, without being very close to it. It is "the most dense and intensive piece of all my work", says Inazaki via a translator. But "I'm not sure you could call it a technique per se. It's nothing complicated that I do." The needle and finger-work is what she calls "a primitive process".

Thirty craftspeople from 16 countries, from Argentina to Georgia to Korea, were shortlisted from the thousands of entries, working in fields from furniture and jewellery to lacquerwork and basketry. The winner and two special mentions were chosen by a jury of 13, including Deyan Sudjic, former London Design Museum director, architect Wang Shu and last year's winner, Korean weaver Dahye Jeong.

From Benin, Dominique Zinkpè was awarded one of the special mentions and €5,000 for his large, finely carved wooden piece "The Watchers", based on Yoruba Ibeji dolls, which are created when a twin dies in infancy. Japanese maker Moe Watanabe was awarded the second special mention for "Transfer Surface", an ikebana-style vase made from walnut bark.

Craft's rise in prestige is relatively recent, says Jonathan Anderson, creative director of Spanish fashion brand Loewe, who describes himself as a "fanatical collector". Before founding the prize in 2016 with the aim of preserving traditional techniques, "I felt that I needed to build a platform to promote [craft] on the global stage . . . bring a bit more of an eye to something that is maybe less supported than contemporary art, for example, which has huge amounts of money and investment put into it.

"For me it was a marketing thing that was wrong," he says. "It wasn't marketed right. The work was there but the platform and the way it was spoken about was not there." That, he says, is changing. The first iterations of the prize received applicants who were mostly over 45 – now there are many more applications, and the makers are much younger, particularly since the pandemic. "Something in the pandemic clicked with people. And I think that it's really important that we have younger people, because if we don't, then the prize won't survive and we'll just be just celebrating dead people," he says.

(Clockwise from left) 'The Entrophy Reduction of Hundun' by Wanbing Huang; winning work 'Metanoia' by Japanese ceramicist Eriko Inazaki (pictured below); special mentions 'The Watchers' by Dominique Zinkpè; and 'Transfer Surface' by Moe Watanabe
Loewe Foundation

Judging is becoming harder. The deliberation was "incredibly difficult", says Loewe Foundation president Sheila Loewe. "It was a privilege and a challenge to make such a hard decision."

> 'The difference is between useful and uselessness. Most of these are useless, which makes them art'

Inazaki's piece was conceived as a "rag". "I was depressed, I was not in a good place and I said 'I'll just express myself as I am right now,'" she says. "But in the process something transformed and there was a type of sublimation that occurred. The process helped me and saved my emotional state, eventually turning into something beautiful.

"I realise now that I wanted to express types of onomatopoeia, like a 'pop-pop,'" she says, rapidly opening and closing her hands. She describes the jagged detailing as "coming out of the centre, like firework sparks".

It's that sensory aspect that appeals to Anderson. "It has an incredible depth of field which I think is unusual in ceramics," he says. "It has this sense of anxiety, which makes it quite human somehow. There's something about it, this idea of touching it . . . I like the tactility of things. We're in the Noguchi Museum, all you want to do is touch the sculpture."

But what exactly makes these works craft and not art? The boundary doesn't seem to be a particularly useful one, although the prize's entry requirements stipulate "applied arts".

For Anderson it is the crossing of these boundaries that makes a work by ceramicist Lucie Rie, for example, more valued in the past 15 years. "It is not until now that we realise that those works are sculpture," he says.

"In my opinion the difference really is between useful and uselessness," says Lebowitz. "And most of these things are useless – which makes them art." Inazaki herself is less sure. "I'm not clear about my works, whether it's art, craft or something else," she says. "But I've been working all this time with the belief that what is good – what is good piece of work – goes beyond the boundaries of categories."

Until June 18; craftprize.loewe.com
Lucy Watson travelled as a guest of the Loewe Foundation

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My personal Chelsea gold

A Korean masterpiece displays wild flowers far more fascinating than British bindweed and buttercups

(Above) Mark Gregory's 'edimental' garden for Savills; (right) Jihae Hwang, creator of the Letter from a Million Years Past garden
RHS/Sarah Cuttle/Tom Bell/Alamy

Robin Lane Fox

On gardens

In the grounds of the Royal Hospital, Chelsea Flower Show is coming to a crowded conclusion with its sell-off on Saturday until 5.30pm. Ticket holders can buy and remove items that have caught their fancy, whether fuchsias for this summer's bedding or fine delphiniums for a September second flowering. There is far more to take home than drab patches of nettles or "sustainable" bindweed.

As I hoped, the pre-show press belied the reality. The RHS gave space, but not much, to feeble displays of British gardens' invasive weeds, dressed up as friendly to butterflies and pollinators. During my two days at the show I failed to find most of them. Instead I spent time with the main gardens, which are far more interesting than 10 years ago. Some of them now have patronage from Project Giving Back, the socially aware charity which selects gardens linked to other charities and helps to fund their applications for space at Chelsea.

The gardens then go off for a second life in a real space after the show. The Fauna and Flora garden will live on at the Eden Project in Cornwall. The RSPCA garden is a "contemporary interpretation of a wildlife sanctuary" including a pond supposedly to encourage foxes. The good news is that it will go off to the RSPCA's education hub at Nantwich in Cheshire, too far away to harass my garden with yet more rabbits, badgers and vixens and destroy my life's work.

The balance between the indoor and outdoor show has inverted. Usually the exhibits inside the Great Pavilion prevail over everything else, but this year I enjoyed the outdoor gardens even more. There are some fine indoor displays and masses of interest, but there are fewer of the big show-stopping exhibits that traditionally cap the show's magic. Rhododendrons, tender orchids, very big displays of sweet peas or shrubs and small ones of auriculas have disappeared and alpine plants are down to only one exhibit.

Some of the specialist nurseries have had demanding seasons, first, from the soaring cost of heating their greenhouses in winter, then from the cold and grey spring. Peonies had not opened in time and gladioli were curtailed. Rosaleyn Fuchsias chose to scale down its display to a circular exhibit as if on a circus roundabout, lit by irritatingly bright lightbulbs.

As a result, the view back across the width of the Pavilion has lost some of its floral profusion and wonder. Within it, Raymond Evison's exhibit of clematis is stunning, including his new, stripy mauve Tumaini, which will be ideal for many of you as it teems with flowerbuds on a mound of stems only 2ft high. It is perfect for big pots on a half-shaded balcony. Jacques Amand dazzled us, too, with superb hardy orchids, especially the new cypripediums and calanthes which are hybrids bred by the huge Dutch growers, Anthura. Amand explained to me that they are growable in sheltered London gardens in raised beds of neutral to acid soil, very sharply drained. Winter wet, he says, is a much bigger enemy for them than winter frost, so dig in plenty of grit and then look forward to outdoor orchids in white, pink and bright yellow, a new direction for us all.

Four years ago, most of the big outside gardens were boringly planted. Designers seemed to think that clumps of hardy geraniums, poor forms of iris sibirica and repetitive thistly cirsium sufficed for their "plant material". Thoughtful diversity is far more evident this year.

I have been spoilt for choice when awarding my personal Gold Garden Award. I do so without consulting the medals that the RHS bestows, including the Best Show Garden awarded to Horatio's Garden, by Charlotte Harris and Hugo Bugg, or even the results of the People's Choice, the vote of visitors and spectators, not RHS judges. The best garden in the show displays wild flowers with a far more fascinating twist than British bindweed and buttercups. Letter from a Million Years Past is a masterpiece many years in the making by the top South Korean designer Jihae Hwang. After her gold medal at Chelsea in 2012 with a design evoking the line between the two Koreas, she retired for a while to recover her health.

Her exhibit is based on plants, often medicinal, and the ecology of Korea's Jiri Mountains, evoking it, she explained to me, not merely creating it.

"Ideas are very flexible" and, on site, she developed every detail from the picture she carried in her head. The expert growers at Crûg Farm nursery in Wales raised seeds she sent them and also lent several Korean shrub and trees from their stock. I battled to name them, from lindera to oplopanax.

> Because of the cold and grey spring, peonies had not opened in time and gladioli were curtailed

Down to the tiniest plant on the window sill of her little herb-drying tower she has thought out every detail. She has devised far the finest tribute to evolving nature, wild flowers and scenery, based on hundreds of plants unseen at Chelsea and tonnes of boulders from Aberdeen, chosen on two personal rock-finding tours to Scotland. "Because I am short," she told me with charm, "I like short plants": the garden will move to a Maggie's Centre cancer support charity and live on.

I wonder if this amazing achievement will top the people's poll too as its planting and design have layers of subtlety which are hard to take in from a point behind ropes on Main Avenue. I have cast my separate people's votes after choosing between more accessible alternatives. Sarah Price has done a fine job with an exhibit based on the artist Cedric Morris's garden at Benton End, Suffolk, which she visited in its owner's lifetime. I did not take to the chunky table on its right-hand side but the buff colours of the main surfaces and especially the underplanting are excellent. Morris's subtly coloured irises ran across it, to my eye three varieties, but Price confirmed to me that she has used nine, including Benton Lorna and others named after friends and animals.

Off Main Avenue, the moss, water and stone "biophilic" Japanese garden runs it close, laid out by the maestro Kazuyuki Ishihara, who directed his uniformed disciples with his personal cane while placing crates of moss bought at Covent Garden market. He even ended by laying out a hidden moss alley at the back of the exhibit.

However, my runner-up to the ancient Letter garden is Mark Gregory's "edimental" garden for Savills, a fine combination of herbs and vegetables in neatly edged beds, leading down to a sunken area in front of a well-devised facade evoking a hotel kitchen. It includes ornamental plants, as many of our edible areas do. There is even some samphire in a container of salty seawater. Daily at noon, uniformed Chelsea Pensioners eat lunch on the site, prepared by a master chef from what the garden exemplifies.

Implicitly, real gardening has answered modish rhetoric about "rewilding". On their lovely display of mountain plants, amid blue and lavender meconopsis poppies, Kevock Garden Plants show a group of Androsace bulleyana with its scarlet flowers above small rosettes. It dies after setting seed and is in retreat on its native mountain slopes in Yunnan and Tibet. It is safe in gardens like Kevock's, thanks to a craft which the RHS must foreground, leaving ground elder to bore our gardens to death: the craft of good old gardening.

FT SPECIAL REPORT

The Business of Formula One

Zhou Guanyu 'I was suprised how, I was able to make the step' – INTERVIEW, PAGE 2

Saturday May 27 2023 www.ft.com/reports

Female drivers rev up for fresh push on F1

Stars of women's circuit aim to graduate to main series. By *Josh Noble*

Formula One's new all-female single-seater racing series is under no immediate pressure to make money, according to its managing director, as it marks just the first phase in a top-to-bottom plan to foster gender equality across motorsport.

Susie Wolff, who heads up the F1 Academy, says the youth-oriented races are not simply about developing talent in the driver's seat, but will also reach down into youth racing and karting to bring more women and girls into all corners of the sport.

"This is not a woman's thing – we need this to be a journey for the sport because I think, long-term, this can add value to the platform of Formula One," she says. "We've got a huge needle to shift but, if you can change perceptions in the short term, then, in the longer term, you can see the results."

The new series got under way at the end of April at the Spielberg track in Austria, with 15 drivers from five teams taking part. The F1 Academy comprises seven race weekends in total, with the finale coinciding with the F1 race in Austin, Texas, in October.

The last time a female driver came close to taking part in an actual F1 race was 31 years ago, when Giovanna Amati failed to qualify for the Brazilian Grand Prix. However, many in the sport believe more can be done to make it a realistic possibility in the future.

"We're not just providing a platform for 15 young women, the vision is something much, much bigger over the longer-term", says Wolff. "We're really creating a nurturing environment for progression. But we're also going deep down into grassroots level to increase the talent pool."

Wolff began competitive racing at the age of eight and was, herself, a development driver for Williams F1 from 2012-15. She later became team principal of Formula E team Venturi Racing, and took up the position of director of the new F1 Academy in March this year.

As Wolff found during her own time in the driver's seat, cost has long been a major deterrent for those looking to race professionally. With the Academy, F1 has tried to lower the financial barriers, while giving young drivers as much time on the track as possible.

To do that, F1 is providing subsidies

'This will not fail. It has too many people behind it who want to see it be successful'

F1 Academy drivers, Nerea Marti (far left), Marta Garcia (centre right), Bianca Bustamente (far right) and Susie Wolff, managing director of F1 Academy (centre left) – Adam Pretty/Formula One via Getty Images

for each car of €150,000, which individual drivers must then match with their own funding. The rest of the money comes from the teams. F1 says this represents a significant reduction in driver costs compared with other similar racing series.

The cars themselves are identical and use the same chassis as those on the F4 junior circuit – chosen due to their relatively low cost and ease of maintenance.

The hope is for the top performers in the Academy to move into F3 or more likely F4, where they will compete against their male counterparts.

"We want to make sure that whoever wins this season goes on to the next step in her career", says Wolff, although she admits that the prospect of seeing a female driver reaching the F1 grid remains eight to 10 years away.

But the organisers have drawn flak for deciding not to broadcast the opening races live – instead choosing to post edited highlights of Academy races on F1's main YouTube channel after the event. The package from the inaugural contest has so far garnered roughly 278,000 views.

Once the series aligns with the F1 calendar from 2024 onwards, though, the ambition is for the competition to be shown live.

For now, making money is not a major

Continued on page 2

Teams eye success through cutting-edge facilities

Infrastructure

F1's cost cap does not prevent investment in buildings and engines. By *Jonathan Noble*

The introduction of Formula One's cost cap has helped level the playing field between Grand Prix racing's biggest and smallest teams. But, despite efforts to make things equal, some remain more equal than others.

While all competitors must now operate within the same spending limit of approximately $135mn for a season, that has not stopped many of them additionally investing heavily in their infrastructure, to try to gain an advantage.

It is not a coincidence that the Aston Martin team, whose investment drive has culminated in the construction of a new £200mn state of the art factory at Silverstone, has been the surprise of the 2023 season. The team believes its new 37,000-square-metre facility will be the best in F1, and its imminent opening will be followed by a new wind tunnel, and an employee experience and events space. Aston Martin is convinced the investment will transform what is possible for the squad. Team principal Mike Krack has referred to it as a "game-changer".

But Aston Martin is not alone in committing hundreds of millions of dollars on capital expenditure at a time when teams have to limit their spending on staff and car developments, under cost cap restrictions.

McLaren's own new wind tunnel and simulators should be up-and-running in the next few weeks, and Alpine has also committed to a new simulator which will come on tap in two years.

Mercedes has just given the green light to a £70mn redevelopment of its Brackley campus in Northamptonshire, and Red Bull Racing has committed hundreds of millions of dollars to the creation of a new Powertrains division to design and manufacture its own engines from 2026.

As Red Bull team principal Christian Horner says about the need to keep investing in the cost cap era: "If you stand still in this business, or any business, you are just not progressing."

Red Bull's new Powertrain facility

As the cost cap bites, and the F1 field closes up, teams cannot afford to be substandard in any area if they want to be successful. McLaren concluded many years ago that not having its own wind tunnel made it impossible to keep up with the developments being achieved by squads such as Mercedes, Red Bull Racing and Ferrari.

McLaren team principal Andrea Stella says: "When we have a design, we produce the parts for the model, then there's a van that drives to Cologne and we lose a couple of days. Formula One is such a fast business; you can't have this way of operating."

Not all the current investment is so directly related to car parts, though. In a move aimed more at people than machinery, Mercedes' Brackley revamp includes pedestrianising the campus as well as adding restaurants, gyms and marketing buildings.

Mercedes team principal Toto Wolff says the changes will ensure that Brackley is a place where people want to work — helping to attract and retain a high calibre of staff. Lap time benefits will be seen in the longer term. "It will become its own little village, with all the amenities and benefits that you would expect from a Silicon Valley style environment," he says.

But perhaps no team has been as ambitious with its investment commitment as Red Bull, which is taking the bold step of becoming an engine manufacturer. The huge sign-off on investment in creating Red Bull Powertrains was certainly not taken lightly, because the way F1's commercial rights income is distributed means it will not earn one dollar more for winning championships with its own engines than it would if it used anyone else's.

However, the team felt that the benefits of breaking away from the reliance it has had on its engine partners in recent years far outweighed the negatives.

"It's hugely ambitious, and I think it is about taking control of our own destiny for the longer term," says Horner, whose team has already agreed a deal with Ford to co-badge the engines and help provide technical support.

"Yes, there's going to be some short-term pain as we are effectively the first start-up engine business for probably 25 years in the UK. But that's part of the excitement of the challenge as well."

While all the investments taking place in F1 are driven by the desire to make cars faster, they also reflect another trend in the sport: that the value of teamwork, organisation and efficiency has ramped up as the freedom to spend has been restricted.

As Mercedes' Wolff says: "Technology is something you can acquire, but it is the best organisation that wins. We want to have a superstar team; not a team of superstars."

Susie Wolff heads a female academy aiming to bring more women to F1

Female drivers rev up for fresh push on F1

Continued from page 1

concern. Last year, the W Series, another all-female racing circuit, was forced to curtail its season after running into financial difficulties. Some of its drivers are now racing in the F1 Academy, while Jamie Chadwick — the three-time W Series champion — has moved to the US to drive in the Indy NXT competition for Andretti Autosport.

Lessons have been learnt from the W Series' troubles, says Wolff, and there is realism about the uphill challenge for a new, all-female racing circuit seeking to generate enough revenue to fund itself.

Long-term, Wolff believes the Academy can attract commercial partners to help make it a sustainable business. But, with the backing of F1 chief executive Stefano Domenicali and F1 parent company Liberty Media, the immediate focus is on developing the concept and making it work.

31 YEARS
Time since a woman came close to being on an F1 grid

278,000
Number of views for Academy races on F1 YouTube channel

"We have the luxury of having the full commitment of F1, Stefano and Liberty, which means we're not under any [commercial] pressure", explains Wolff. "This will not fail. It has too much of a strong foundation and too many people behind it who want to see it be successful."

She adds: "The messaging has been: let's get this right. If that means it requires more investment initially, then that will be the case."

In terms of targets, Wolff wants to see the best drivers from the Academy continue to progress through the system, but she also wants to see signs that opportunities have opened up off the track.

"We're not here to open the door for every young female trying to enter the sport. We need to get the most talented, and we need to help them rise up through the ranks."

Whether the plan is working should become clear within two to three years, reckons Wolff. "We've obviously seen what's come and not worked, so I think it'll be quite obvious if what we're doing is creating the impact that we all hope [for]," she says.

'It surprised me how I was able to make the step up'

Interview Rising star Zhou Guanyu on becoming China's first F1 driver. By *James Allen*

Zhou Guanyu pictured at the Melbourne track in 2023 before a Formula One race — Chris Putnam/REUTERS

Zhou Guanyu enjoys confounding expectations. Kart racers from China are not commonplace at elite level but, against all odds, he stepped up from the entry level sport to become China's first Formula One driver last season. He even scored world championship points on his debut. But perhaps nothing sums up the 23-year-old's mould-breaking achievements better than the time, as a child, he stood on the winner's podium at a European championship kart race in France. The organisers did not have a Chinese flag to fly above his head. They hadn't anticipated a Chinese driver winning an elite event.

His journey started early. Typically, when F1 takes its circus to a new host country, throngs of families attend out of curiosity, among them scores of children, who marvel at the noise, speed and intensity of the action and dream of one day becoming an F1 driver. And that was precisely the experience of Zhou in 2004, when he attended the first Grand Prix on Chinese soil in Shanghai as a five year old with his father, watching Ferrari legend Michael Schumacher battling other international stars.

"At the time, I didn't know anything about racing and Formula One," he recalls. "It was really exciting: the cars and this loud noise. I just wanted to be one day in these F1 cars, driving around the world by myself — that's the dream that started to come to my mind." The following year, father and son returned, this time knowing far more about the drivers and the sport. The idea became cemented in Zhou's mind, but he quickly realised he would have to move to Europe if he wanted to make the dream a reality.

"I just had the eagerness," he recalls. "I wanted to achieve. I had to move out of my hometown to go to the UK: it is the most competitive grid in the junior and karting series. This was the only way for me to improve my driving, compete for race victories and adapt myself into a different environment with European drivers."

Zhou made the unlikely move, aged 12, to Sheffield, the base of the kart team he raced for. He won two major UK karting championships. He sat GCSEs at a local school. Then, after signing for Ferrari's junior Driver Academy, he terminated his A Level studies and moved to Italy. He made steady progress up the ranks, but took the bold decision to leave Ferrari in 2018 for the Renault Alpine driver programme, which offered more opportunities to drive an F1 car in private tests and to work on the simulator — a vital development tool for today's driver.

Zhou was, by now, racing in Formula Two, just one step away from his dream of F1. But this is the largest, most difficult step and one most drivers never get to take. He stayed in F2 for three seasons, trying to earn enough race wins and points to qualify for an FIA Super Licence, without which the door to F1 is closed.

> Scoring points on debut settled the nerves and soon he began to perform well against Bottas

At the end of relatively successful 2021 season with four wins, he was announced as an F1 driver for 2022 with Alfa Romeo Sauber. His team mate would be Valtteri Bottas, who had been Lewis Hamilton's team mate for five years at Mercedes, winning 10 Grands Prix. Bottas would serve as an ideal benchmark for the newcomer.

But, first, there was the controversy that accompanied the announcement that Zhou — and not the dominant 2021 F2 champion Oscar Piastri — had won the drive.

The incumbent driver at Sauber whom Zhou replaced, Antonio Giovinazzi, posted ungracious comments on social media about money (especially the pipeline of Chinese sponsors looking to reach a global market) being the sole rationale for Zhou's F1 appointment. However, Piastri defended his fellow driver, calling the criticism "pretty unfair".

Meanwhile, Alfa Romeo Sauber team principal at the time, Fred Vasseur, who in a previous role had masterminded the junior career of Lewis Hamilton, pointed out that the F2 races Zhou had won, in Bahrain, Monaco and Silverstone were "the most demanding tracks in F2."

That first season in F1 for Zhou was a whirlwind, but scoring points on debut settled the nerves and, soon, he began to perform well against Bottas.

By the end of the season, he had beaten the Finn for raw speed in qualifying eight times in 22 Grands Prix — again confounding expectations, given their relative experience.

"I was a bit surprised how I was able to make the step," he says. "I expected maybe to be scoring points later in the season. But I was able to score points on my race debut. And, then, we continued reducing the gap between me and Valtteri: from seven tenths [of a second per lap], then six tenths until I was quicker."

But while he is now settled in F1, and feels like he belongs, his dream of racing in front of Chinese fans at his home Grand Prix will have to wait one more year. The Chinese government cancelled this year's race, scheduled for April, due to lingering Covid concerns.

"Racing at home, it's very important for me, for our country, just bringing the popularity of Formula One," he says. "The crowd when we go back next time is going to be fully packed, very exciting. The dream of racing at the same circuit, watching as a child, in front of the home fans, hasn't changed."

Formula One races towards sustainability goals

Environment

Zero-emission fuels in development for F1 could reach domestic market. By *James Allen*

The teams on the Formula One grid race 23 times a year. But the sport, as a whole, is in a one-off race of its own: to be net zero in carbon emissions by 2030.

Of all the work being done to reach that goal, the vast majority is aimed at reducing outputs from the factories of the 10 teams, as well as the personnel, public and freight travel to race locations around the world. These were estimated in 2018 at 256,551 tonnes of CO_2.

Four years on, the sport is scything through those numbers. For example, Mercedes cut emissions from race trucks in Europe by about 90 per cent in 2022, by using biofuels and investing in sustainable aviation fuel, among other programmes. There are six years to go to the finish line, when an audit will reveal whether the goal has been reached.

But, despite all these advances, to F1's millions of fans — and its critics — the most visible part of the drive to sustainability will be what happens with the racing cars on the track. While these account for less than one per cent of all F1's emissions, they are the most visible element of the sport, and the most relevant to the wider industry. Imagine the optics of F1 developing 100 per cent sustainable high-performance engines that power the fastest cars in the world — and letting that technology trickle down to everyday motoring.

F1 and its governing body, the Federation Internationale de l'Automobile, decided that this could be achieved from 2026 onwards through power units that are a 50-50 combination of a small capacity internal combustion engine with an electric hybrid system, each generating 350kW of power. This is a significantly higher proportion of electric power than the current hybrid engines. And they will run on zero emission e-fuels. F1 will use its huge global platform to showcase these fuels, which will, in due course, become available at retail pumps around the world.

"It's the same reality for all of us, to stay relevant as a team and relevant as a sport," says Toto Wolff, CEO of the Mercedes F1 team. "Sustainability needs to be all encompassing. Our technologies need to be utilised for the good of the world. The plan is to make an efficient, yet high performance fuel available at the pump stations, not a few litres of rocket fuel for F1 engines."

On the face of it, this runs counter to the direction of travel. Governments are mandating the abolition of internal combustion engines in new vehicles — some, by as soon as 2030. But Wolff says that the technology being developed in F1 should bridge the gap while the volume of electric vehicles on the road and the infrastructure to charge them reach critical mass.

"The world is moving towards electric mobility and there is no doubt about it. We will soon see all of us travelling electric in an urban environment in affluent cities. That will eventually expand all over the world. But, in between, there's probably a transition period of 20 years, where cars will still be powered by combustion engines. Our calculation is, in 2035, there will be one and a half billion pure combustion engines around the world. If we can participate in that energy transition by providing hybrid technology and fuel technology for this huge mass market, that is beneficial."

Formula 1 chief technical officer Pat Symonds says, "The advanced sustainable fuel for 2026 has deliberately been designed to be "drop-in", meaning it can be used in a standard road car. By using our platform to accelerate the development of advanced sustainable fuels, proving their effectiveness and that production can be done at scale, we believe we can have an impact far beyond our paddock, in terms of decarbonisation."

Audi has bought the Sauber team and is now making its own engines

The FIA published the regulations for the 2026 engines last August. The goal was to encourage new manufacturers to enter by making power units cheaper to design and build. At the same time, they levelled the playing field by simplifying the current engines, so new entrants could be competitive from 2026 onwards. This was achieved by removing the complex heat regeneration units currently in use. It has attracted one of Mercedes' main automotive rivals, Audi, to enter in 2026. It has also led to Honda reversing an earlier decision to withdraw. And it has brought back Ford — a long time F1 competitor from the 1960s to the 2000s — which will put its blue oval badge on the Red Bull Powertrains, built in Milton Keynes, that power the reigning champion team.

If Ford is taking the F1-lite approach, Audi is going all in; buying the Swiss based Sauber team, rebranding it as Audi, and making its own engine.

"The key to getting involved in the world's most popular racing series is the clear plan to become more sustainable and cost-efficient," explains Oliver Hoffmann, chief technical officer of Audi AG.

"Formula One has set itself the goal of being carbon-neutral as a racing series by 2030. I see an ideal fit with Audi. Formula One is both a global stage for our brand and a highly challenging development laboratory. The combination of high performance and competition is always a driver of innovation and technology transfer in our industry.

"With the new regulations as of 2026, now is the time for us to get involved."

Contributors

Josh Noble
Editor, FT Scoreboard
Sam Agini
Sports business reporter, FT Scoreboard
Lee Campbell-Guthrie
Commissioning editor
Adrian Justins
Sub-editor
Steve Bird
Designer
Alan Knox
Picture editor
James Allen
Freelance journalist
Peter Campbell
Motor Industry correspondent
Jonathan Noble
Freelance journalist

F1 steers fans towards online subscription apps

Broadcasting Take-up of F1 TV and F1 TV Pro boosting media rights strategy. By *Sam Agini*

F1 TV has expanded it's reach to 119 countries including big markets such as Brazil, Mexico and the US where fans can watch races live

Netflix's *Drive to Survive* is typically credited with catalysing the boom in Formula One's popularity. But it is the racing series' in-house streaming experiment that is quietly building traction and increasing revenues for the sport.

Five years since the launch of F1 TV, the sport's direct-to-consumer broadcast product is boosting its media rights revenues by attracting millions of subscribers eager to keep up with events throughout the season.

F1 TV has increased its global reach by expanding into 186 markets. But the Pro version, which carries live race streams, is available in just 87.

It represents a shift from traditional broadcasting models, forming a key component of the sport's growth strategy under US owners Liberty Media, which took control of F1 in an $8bn deal in 2017.

Major markets such as Brazil, Mexico and the US are among countries where fans can watch races live with F1 TV Pro. It's also available in the Netherlands, home of F1 champion Max Verstappen, whose orange-clad fans follow his every turn. "It gave us, for the first time, a direct relationship with the fan," says Ian Holmes, director of media rights at F1. "I had a concern as to how it would sit alongside third-party rights deals."

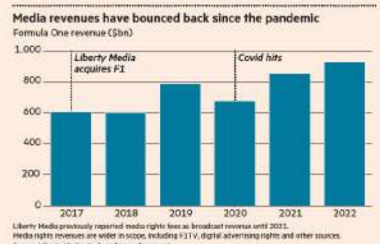
Originally, the interest primarily came from F1's "more avid fans", who wanted to watch more content in addition to the traditional broadcast. But F1's thinking has evolved as new audiences have flocked to the sport. "It's not just the avid fan," says Holmes. "The younger fan is the most data-comfortable, interactive demographic out there."

Holmes says F1 must be flexible in its approach. In some markets, such as Brazil and Mexico, F1 partners with telecoms companies and broadcasters, making them vital distributors of F1 TV, in addition to Apple and Android, where F1 sells the app subscription. In some cases, F1 and traditional broadcasters or networks also share revenues from distributing F1 TV Pro.

"We're also looking at how to better distribute F1 TV rather than just go through the Apple Store or the Android equivalent," says Holmes. "You start looking at direct billing relationships. Sometimes it's more difficult — it's probably the most frustrating thing in business if someone wants to give you money and you can't take it from them.

"In some cases, it didn't make business sense to force it into a market if it was going to cannibalise or overly cannibalise a third party licensing deal".

Accounts for Formula One Digital Media, the entity that houses F1 TV, reveal that the service made more than $47mn in revenues in 2021. That was an increase of nearly 150 per cent on the $19mn figure in 2020, mostly driven by subscriptions to the Pro product.



In 2021, F1's total media rights revenue totalled $860mn. Last year, that increased to $936mn — just over 40 per cent of the sport's more than $2.6bn revenue total. It stood at roughly $670mn in 2020, when the sport's season was postponed due to the pandemic.

Formula One Digital Media is yet to publish its accounts for 2022. However, Liberty Media said in its annual report for 2022 that F1 TV was one of the reasons for increased media rights revenues that year. F1 TV Pro's strongest markets include the US, Mexico, Netherlands, Scandinavia and the Nordics, Holmes says, sitting alongside deals with traditional broadcasters.

Analysts see further growth. In March, a research note by JPMorgan's David Karnovsky said F1 TV "was a bigger driver of [media rights] revenue growth in 2022 than we initially appreciated, and remains a point of potential upside to our estimates for 2023".

However, traditional broadcast deals are also driving media rights revenues up. Karnovsky forecast that new contracts with the likes of ESPN in the US and Foxtel in Australia would help increase media rights revenues this year by 13 per cent.

Mike Kerr, managing director for Asia Pacific at beIN Sports, says he is not worried about the rise of F1 TV Pro because traditional broadcasters can aggregate a variety of sports and bundle them with entertainment and news channels.

F1 TV Pro is not available in beIN Sport's markets — which include Hong Kong, Singapore, Malaysia, the Philippines and Thailand —as beIN has an exclusive deal to show races live on its 'over-the-top' streaming service, so fans can expect to "watch all of our content at any time, in any place on any screen".

"I don't think there is any sport that is big enough to to go direct to the size of audience that we can,", and we can only address the audience because we've got different sport on our own channels," says Kerr. "The first three races of this year have been the most watched content on our networks except for the Liverpool-Real Madrid Champions League final in 2021".

The UK, Italy and Germany are also among the countries where F1 TV Pro is not available, as Sky pays for exclusive rights to screen live sessions and racing. The broadcaster has a dedicated F1 channel and is a key partner to F1.

But, ahead of this season, the F1 TV product has launched in India — giving F1 a presence in a market where it has not signed a traditional broadcast deal because, as Holmes explains, "the offers that were made, we didn't think represented a fair valuation . . . people spent all their money on cricket".

Next in line might be the Middle East, where the sport is negotiating with broadcasters, says Holmes.

F1 has been constantly trying to improve its media technology, as well. It's no longer confined to smartphones — users can now "cast" the stream to their television screens. The next step could be to allow fans to engage onscreen with friends watching at the same time online, says Holmes. F1 is also "working hard" to make the Pro service available at circuits without a 20-30 second time delay. "It's a continual evolution," he says.

Asia — the missing part of Formula One expansion plan

Global reach Reviving races is key to gaining billions of potential fans. By *Sam Agini*

Under US ownership for more than six years, Formula One has revved up in North America and the Middle East. But with no races in China since before the pandemic, and India long out of the picture, can F1 catch up in Asia?

Since taking over the sport in 2017, Liberty Media has added races in Qatar and Saudi Arabia to its calendar. In November, F1 will head to Las Vegas, another new destination in the critical US market, following its return to Miami. However, F1 has struggled to enjoy the same success in Asia, despite a long history in the region and the new owners' ambitions to grow in the area.

Japan, which hosted the first Grand Prix in the region in 1976, is home to the Suzuka track, where French driver Alain Prost battled Brazilian great Ayrton Senna for world titles in the 1980s. China first hosted a race in 2004. And Singapore joined the calendar in 2008.

In total, there were six races in Asia a decade ago. Today, there are two, not counting China, which has been off limits since the last Shanghai Grand Prix in 2019, before the pandemic. South Korea hasn't hosted races since 2013. The same goes for India, where F1 no longer has a broadcast deal and instead uses its own platform, F1 TV, to screen live races. The Malaysian Grand Prix last took place in 2017, with falling ticket sales and prohibitive promoter fees ending a run going back to 1999.

Liberty Media's first attempt to bring a new race to Asia fell through. The US group had selected Hanoi as F1's first new "destination city" to host a Grand Prix but the race never took place.

"It's every marketer's dream that Formula One reaches out to Asia," says Dario Debarbieri, head of marketing at HCL Software, which has a partnership with Ferrari. "Why? Because you simply put China and India together, and you will immediately increase your reach by billions, not millions, of people, so it's massively important for us.

"In our case, it was a bet that China will come back to the calendar . . . I hope that it's just temporary and, next year, China will come back to the circuit," he says. "India has a deep tradition in Formula One with teams and drivers that made it into the category years ago, and I'll be shocked if India is not back in the next few years."

Asia remains a top priority for F1. Three of the 20 F1 drivers are of Asian heritage, including Thai-British Williams driver Alex Albon. The other two — Japan-born Scuderia AlphaTauri racer Yuki Tsunoda and Zhou Guanyu, the first Chinese driver to compete in F1 — are among the youngest on the grid.

In China, more than a third of fans began following the sport in the past four years, with more than half being under the age of 35, according to F1. Reaching that audience is vital for commercial partners. Castore co-founder Tom Beahon says the premium sportswear company's tie-ups with Red Bull and McLaren have been "transformational" for its brand awareness in Asia.

"There is no amount of marketing that can replicate what our F1 partnerships do in terms of brand credibility," Beahon says. "We believe there is significant further potential in Asia, through additional races which may come in the future, more Asian drivers on the grid and the proliferation of F1 content through new media channels."

> 'I think they do need to have more races in Asia, there's certainly the appetite for that'

China is also a key territory for F1's automaker participants: the world's biggest car market, in which they need to defend their market share. Ola Källenius, chief executive of Mercedes-Benz, has warned of the risks to German industry of cutting ties with China, while Volkswagen, which is entering F1 with its Audi brand, plans to spend €1bn on an innovation centre in the country.

F1 is planning to return to Shanghai next year, while South Korea is on a list of potential targets for a new Grand Prix, according to a person close to F1. Attendance in Japan and Singapore soared when the sport returned last year after a pandemic-enforced absence, beating 2019 levels.

The most recent Grand Prix to take place in China was in 2019

"This year has been even stronger," says Singapore GP director Jonathan Hallett. "[Given] some of the new races that are coming — Miami, Las Vegas — this year, we have to stay relevant and we have to make sure we're still offering something unique."

When explaining its decision to shoulder 60 per cent of the annual S$135mn ($101mn) to S$140mn ($105mn) bill for organising the Grand Prix to 2028, Singapore's government said the projected economic benefits "outweigh" the cost. The Singapore GP generates increased tourism spending, acts as a "strong focal point" for business conferences, and brings "global branding benefits" to the country.

F1 has a string of deals with broadcasters in Asia, as well — ranging from DAZN in Japan to beIN Sports in Hong Kong, Singapore, Malaysia, Brunei, Indonesia, Timor-Leste, Thailand, Laos, Cambodia and the Philippines.

"I think they do need to have more races in Asia, there's certainly the appetite for that," says Mike Kerr, managing director for Asia Pacific at beIN Sports. "Formula One is an incredible property for nations to profile themselves."

"The real sweet spot for us are probably the European races at about 9pm on a Sunday," says Kerr. "That means the kids have gone to bed. Teenagers and parents can therefore sit down and spend two hours watching a race."

F1 plans to target regional commercial partners in Asia, too, says its commercial managing director Brandon Snow. New technology will allow the sport to vary its live broadcast feeds to showcase different sponsors to different markets, this will potentially allow F1 to cash in as it grows in popularity across Asia.

"We're just getting started," says Snow. "Just popping up with offices in China to create a commercial opportunity, the success is mixed. You've got to be committed to a much longer term strategy — we need to have patience."

Ford's new focus: electric shift sparks Red Bull partnership

Partnerships Tie-in accelerates carmaker's return to Grand Prix. By *Peter Campbell*

In some ways, it was Jim Farley's choice of hat that did it.

The Ford chief executive had convinced Christian Horner, the head of the Red Bull racing team, to drop into Detroit on the way to the Brazilian Grand Prix. His ambition was to forge a partnership that would allow the US carmaker back into top flight racing.

Yet there was high demand for the world champions, who were searching for a new partner from 2026. Talks with Volkswagen's Porsche had already lasted for months.

"When Jim walked in, in a [Red Bull driver] Sergio Pérez cap to the first meeting, I felt like it was going to get off to a good start," recalls Horner. After that, "everything happened very quickly", he told the FT's Future of the Car summit earlier this month. "Sometimes, you can tell just from the get go if the feeling is right."

Since the deal was announced in February, work has begun quickly. On Red Bull's campus, just outside Milton Keynes, decorators have already replaced the gold and red charging bull emblems outside its engine building with a new, blue moniker: Red Bull Ford Powertrains.

From 2026, Ford and Red Bull will collaborate on power units for F1 cars for both Red Bull teams, including the Scuderia AlphaTauri.

Ford will deal with the battery cell technology and, in return, will get Adrian Newey, Red Bull's chief technical officer, to help with the aerodynamics on its future vehicles, something that could save the carmaker thousands of dollars on each model. "The battery's so expensive that aerodynamics turns out to be a primary capability in this new world of electric vehicles," notes Farley.

Ford was once among the most successful racing teams in the sport, with 10 constructors' championships and 13 drivers' titles under its belt when it quit in 2004.

And it already has significant racing programmes with other models, from Mustang track racing to the off-road "King of the Hammers" series in the US and its World Rally Championship team with Puma.

But the brand, under Farley's leadership, has been eyeing some sort of return to Formula driving for the past two and a half years.

"With a focus on full electric vehicles, we wanted to make sure our racing was aligned to that," says Mark Rushbrook, head of Ford's motorsport unit. Yet the options for full electric racing, such as Formula E, were "too limited" in terms of what Ford could learn about batteries and power units, he explains.

However, new F1 rules from 2026 will require half the power for the car to come from a battery within a hybrid system. "Making a bespoke combustion engine under Formula One regulations with fully sustainable fuel" is something that Red Bull can handle, says Horner, "but the cell technology which is going to represent 50 per cent of the power of these cars going forward, is something that we have very little knowledge of".

> 'There is more opportunity for technology transfer than there is in any electric racing series'

These, along with other changes, open the door to Ford, and others, to make real world technological advancements on the racetrack — akin to the development of disc brakes for racing in the 1950s that eventually fed into cars on the road.

"There is as much, or more, opportunity for innovation and technology transfer in F1 than there is in any electric racing series," says Rushbrook. "There is real technology and innovation as we're learning about electrics on road vehicles, to test it [on racing cars], try it out, and bring that improved knowledge on to our road cars."

Jim Farley with Christian Horner

Unlike other carmakers, such as Audi, Ford has not been driven back to the sport by the growing US audience for the Netflix TV series, *Drive to Survive*. "We are not entering for brand awareness, we are entering to tell people about the electric products that we can do," stresses Rushbrook.

The 2026 rule changes have also seen a flurry of other manufacturers re-enter. And Ford's arch-rival General Motors is looking at wrestling its way back on to the grid. A deal between GM's Cadillac brand and Andretti Autosport was announced in January, aimed in part at helping the latter with its, so far, unsuccessful bid to join F1 as an 11th team. Rushbrook insists that Ford's moves were "well in advance" of that by its historic nemesis.

Ford had considered owning a team outright, as it had in the past, but the costs of doing so meant partnering was far more attractive. The collaboration on the projects is not yet clear cut, more like a sausage machine approach, than a traditional division of labour.

While the "high level" shape of the agreement is set out, the teams are coming up with "new projects every day", says Rushbrook. "We even found some more yesterday".

So, as race fans look forward to the return of Ford to the track, the partners may explore the potential for collaborations that apply to public roads.

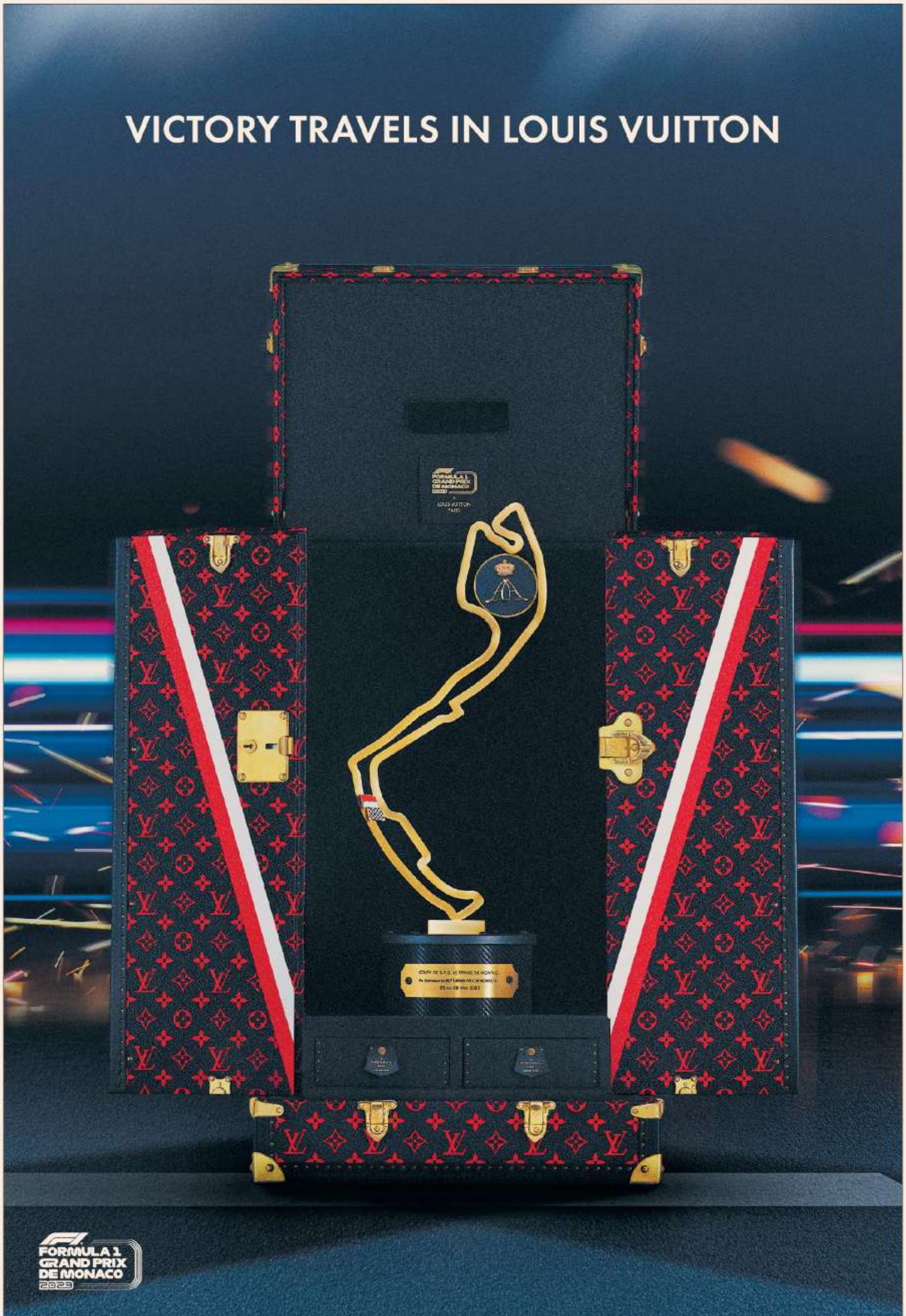
Red Bull's Newey has long harboured ambitions of making a hypercar for the road, something Ford dabbled in with the GT40, in the 1960s.

The Aston Martin Valkyrie was designed by Newey as part of a Red Bull partnership with the UK sports-car maker. But, in 2020, Red Bull left the partnership and, although Newey has since designed a Red Bull track car, the RB17, it is widely believed he wishes to revisit a road car.

Horner diplomatically calls the Aston Martin episode "a learning experience".

"It was an interesting insight and one that the advanced technology side of our business learned a huge amount from and I think will stand us in good stead for the future," he says.

Rushbrook indicates that plans beyond racing may grow into full projects. "It's still early days of the relationship," he says. "Every time we talk, we identify new projects to work on, even opportunities beyond that."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